

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTIETH PARLIAMENT

24 Elizabeth II

VOLUME IX, 1975

COMPRISING THE PERIOD FROM THE THIRTY-FIRST DAY OF OCTOBER, 1975,
TO THE EIGHTH DAY OF DECEMBER, 1975, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

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

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

29956—1½

HOUSE OF COMMONS

Friday, October 31, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

SUGGESTED NOTIFICATION OF DISABILITY PENSIONERS OF ELIGIBILITY FOR HIGHER WAR VETERANS ALLOWANCES—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. Recent increases in war veterans and civilian war allowances have created a disparity between these allowances and disability pensions. The disparity creates the effect that veterans with 75 per cent disability or less and who earn no other income may be losing many dollars annually; and in too many cases they are not made officially aware that they are eligible for the higher rate under war veterans allowances. In order to overcome this disparity, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

● (1110)

That this House recommends that the Minister of Veterans Affairs direct that all veterans who are eligible be notified forthwith and that the matter be referred to the Standing Committee on Veterans Affairs.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION BOARD—APPOINTMENT OF REPRESENTATIVE OF LABOUR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. Has he succeeded in completing the appointments to the Anti-Inflationary Board? I think that three members were contemplated. Has someone who would be reasonably credible from a labour point of view been sought and found? Has the process been completed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that as a member of the permanent group of eight, we have one person who was very closely identified with labour. I believe there is a vacancy left amongst the three Ottawa members. We are attempting to get somebody there, not necessarily to identify with labour but somebody who will be able to understand their point of view.

ANTI-INFLATION BOARD—COMMITMENT OF MRS. PLUMPTRE TO CONTROL PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): The process has not been completed. I wish to ask the Prime Minister whether he has confidence in Mrs. Plumptre's commitment to the controls program that he has announced, particularly in view of Mrs. Plumptre's statement in Edmonton on March 6, 1974, in which she said, among other things, and I quote:

—while any government in a sharply inflationary environment might be tempted to start down the general price control path, it was a path that led all too quickly into a morass of tensions and antagonisms between national groups and classes and regions.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not remember that statement by Mrs. Plumptre. However, having myself made statements that prices and incomes control could very well lead to a morass of complications, I am not surprised at that statement. It is obvious that Mrs. Plumptre shares the government's view that it would have been better if we could have cured inflation without going into controls, but since she has accepted a position on the board, she has come to the view that this kind of action is required at this time.

I might add to my previous answer that I was not intending to imply that the six people now appointed to sit are not able to understand labour's point of view. The point that the Leader of the Opposition was making is one with which I agree. It would be good if we could have some people as members of the board who in the past have been more directly associated with labour.

Mr. Stanfield: Mr. Speaker, may I ask the Prime Minister how many people accompanied him, the Minister of Finance and Mrs. Plumptre on that bus ride to Damascus.

Some hon. Members: Hear, hear!

ANTI-INFLATION PROGRAM—ABILITY OF GOVERNMENT TO SELL PROGRAM TO THE PEOPLE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Prime Minister. Given the fact that the vice-chairman of the Anti-Inflation Board in a speech yesterday expressed reservations about some of the limits of the government's program, and indeed expressed grave reservations about the exclusion

from the program of prices at the farm gate, and given the fact that the Canadian Labour Congress have mounted a half million dollar campaign to oppose the government's program, how does the Prime Minister expect to sell this program to the people of Canada, if the vice-chairman of the board has doubts about it and organized labour in Canada is going to oppose it?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, I would need to ascertain what the Vice-Chairman of the board said. I have not heard the quotation to which the hon. member refers, but I am sure if she accepted membership on the board knowing what would be in the white paper and the legislation, the interpretation given by the hon. member could not be the correct one. As regards labour, I repeat what I said yesterday. We were given a very fair hearing by labour. Obviously, we have not led them to change their minds yet but I hope the meetings we had and the suggestions which were made, invitations made to them to improve any aspect of the plan they thought was deficient, will bear reflection on their part and that they will come around to seeing that not only will this plan work but that it must work if we are to prevent this disease of inflation from crippling our society.

ANTI-INFLATION PROGRAM—GOVERNMENT INTENTIONS WITH REGARD TO ENFORCING REGULATIONS

Mr. James A. McGrath (St. John's East): Given the fact that unenforceable law is bad law and faced with the proposition that organized labour in Canada has indicated that it will not support the program—indeed, that it will campaign against the program—and this in the midst of a potential wage settlement by the government with the postal workers which will destroy what credibility is left in the program, I ask the Prime Minister if it is his intention to assure the House before the bill now in committee is passed by parliament that the government intends to enforce this law and that it intends to meet again with the representatives of organized labour to ensure that some kind of compromise can be worked out, because we all realize the stakes are high.

Right Hon. P. E. Trudeau (Prime Minister): It goes without saying that a law voted by this parliament will be obeyed by all the citizens of this country.

ANTI-INFLATION PROGRAM—ABILITY OF MULTINATIONAL CORPORATIONS TO AVOID PROFIT CONTROLS—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of National Revenue. Since the success of the government's policy in controlling price increases is dependent upon an accurate knowledge of profit levels, particularly of those of multinational corporations, I should like to ask the minister whether he can explain the statement by Mr. James Gourlay, director general of audit for Revenue Canada, reported in the press today in which he said with reference to the profits of multinational corporations:

> These companies don't move today unless they know all the tax laws and then they just run around them. They can do it in such a way that you really can't point the finger and say "You have done something wrong".

The substance of his comment was that hundreds of millions of dollars are lost annually in this way. Would the minister explain how the government hopes to control price increases through the profit control mechanism, particularly in connection with multinational corporations?

Hon. Jack Cullen (Minister of National Revenue): One of the obligations I feel the Department of Revenue has is to secure the best available expertise, as much expertise as possible, to see that these end runs do not take place. Part of that operation, as I think Mr. Gourlay explained, is the work of the Inter-American Centre for Tax Administrators where we look into that aspect on a binational basis. In mid-November I shall be meeting with my opposite number, Mr. Don Alexander, the Commissioner of the IRS and with regard to such action as the multinationals are taking, we hope to get them where it hurts.

Some hon. Members: Hear, hear!

Mr. Broadbent: The minister did not tell us precisely in what way the government plans to make changes in order to avoid the situation so described. Is it his view that the statement reported in the press is accurate and that we are losing hundreds of millions of dollars in tax revenue? If so, what precise steps has the hon. gentleman in mind to plug this major loophole in the control program?

Mr. Cullen: I can do not better than quote the words of my predecessor who said at one time:

> It is important that we collect from multinationals the correct amount of tax based on income earned within Canada so that other business enterprises and individuals are not required to pay more than their share.

That is our goal and we shall do our best to see that we attain it.

● (1120)

ANTI-INFLATION PROGRAM—PROVISION FOR REINVESTMENT OF EXCESS PROFITS—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): The minister is sounding like his predecessor. I should like to ask the Minister of Finance a final supplementary question pertaining to another kind of loophole in the price control mechanism. The Minister of Industry, Trade and Commerce was quoted in a speech he made in Calgary the other day as saying that excess profits would be permitted well beyond the guidelines if these profits were reinvested in new capital facilities. Is this not, in the minister's view, the loophole to end all loopholes? Would not any corporation rather expand its investment into new capital facilities rather than pay taxes to the government of Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think the hon. gentleman is referring to the special levy that we have proposed regarding exports. We think it is very likely that the export revenue of Canada will recover, and the proposal is that the special levy on export revenue should be refundable if it is to be invested in new capacity in Canada, which I think it can be said is in the interests of all of us.

[*Translation*]

INDIAN AFFAIRS

EFFECT OF MERCURY POLLUTION ON HEALTH OF INDIANS—GOVERNMENT POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to put a question to the Minister of Indian Affairs and Northern Development.

In view of the minister's responsibility towards the native people, could he say what measures his department is taking to solve the problem resulting from the mercury pollution of some rivers? We know that much of the fish the Indians eat is mercury poisoned. Can the minister say what steps he is taking?

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, measures are being taken and being examined jointly with the provincial government, which has responsibility in this area, to provide alternate sources of suitable protein for the people involved.

[*Translation*]

REQUEST FOR CONCERTED ACTION BY GOVERNMENT DEPARTMENTS TO STOP MERCURY POLLUTION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question.

I would like to ask the minister, since his colleague the Minister of the Environment stated in Miami Beach on October 7 last that the best procedure was to make haste slowly, whether he could use his influence to ask his colleague of environment and the Minister of National Health and Welfare to exert pressures jointly. Three departments, I think, are involved in this problem. Steps must be taken to prevent any irreparable injury to those people who consume large quantities of fish contaminated by mercury.

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, I would be happy to pursue the matter with my colleagues.

* * *

TRADE

CONSULTANT'S CONTRACT WITH ROY McLAREN—EXAMPLE OF GOVERNMENT RESTRAINT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce but first of all may I congratulate him on being promoted to take over the best department in government. My question is one of which I have given him notice and I am sure he will have an answer for me. Was a Mr. Roy McLaren of Toronto recently taken on by his department with the purpose of improving the department's image with the Canadian business community at an annual salary of $50,000 a year, with an operating allowance of $40,000 a year, and with no requirement to move from Toronto to Ottawa?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): First of all, Mr. Speaker, I want to thank the hon. member for giving me notice of this question and also for his kind words. I agree with him about the department. It has been improving substantially over the past seven, eight or nine years.

Some hon. Members: Oh, oh!

Mr. Hees: With a start like it had, it could not help but improve.

Mr. Jamieson: With regard to Mr. McLaren's contract, I will be very glad to send the hon. member the details of it. Essentially it is a $50,000 a year contract for two years. However, that is the gross amount. In other words, there are no fringe benefits or anything of that nature involved, so it is substantially less than that in actual retained earnings. I might also say, by the way, that he took a substantial reduction in income in accepting the position.

In so far as expenses are concerned, they are fully accountable. There is a ceiling of $20,000 annually. He cannot spend more than that for travel or any expenses of that nature. As to whether he will in fact live in Ottawa, no firm decision has been made on that but he has the choice of remaining in Toronto or moving to Ottawa. If he is going to stay in Toronto and commute, there are the normal transportation allowances, etc. that are paid in all such cases.

On the last point, Mr. Speaker, it is not so much a question of improving the department's image. As I believe the hon. member knows, there has been a great deal of interest lately in having a closer liaison with the business community, particularly in relation to the international turn key projects, overseas missions and the like. It will be these in large part upon which he will be concentrating.

Mr. Hees: Mr. Speaker, as this is the first time it has ever been found necessary to improve the department's image with Canadian businessmen, a very sad state of affairs, and I can assure the minister that in the past the department always had a very good image with Canadian businessmen, will the minister indicate whether this is the government's idea of cutting down on unnecessary government expenditure and setting an example of restraint for the Canadian people?

Mr. Jamieson: Mr. Speaker, if the hon. member means by the department's image having been better in the past that he is better looking than I am, I am completely prepared to agree with him.

Some hon. Members: Hear, hear!

Mr. Jamieson: On the other hand, let me assure the hon. member, as I said a moment ago, this is not by any means an image building operation. I can assure the hon. member if he is interested that there is a very important necessity for closer liaison, particularly in terms of Canadian businessmen getting to know how the various new programs, including the turn key projects, and overseas and develop-

ing country projects, can function, and this will be his primary responsibility.

Mr. Hees: I have one final comment, Mr. Speaker. I had no idea that things had deteriorated so much and were so bad.

* * *

POST OFFICE

PROTEST BY UNION OF POSTAL WORKERS AGAINST LETTER CARRIERS SETTING UP A POSTAL SERVICE—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I would ask the Postmaster General whether he has received a telegram from union officials of CUPW complaining that members of the letter carriers' union have set up their own postal service in the Nova Scotia region which, according to CUPW officials, is absolutely against the law?

Hon. Bryce Mackasey (Postmaster General): Yes, Mr. Speaker, I have received such a telegram. I have suggested that a return telegram be sent to this official of CUPW suggesting that we have referred the matter to the Department of Justice for study, and they will move at their usual speedy pace—

Some hon. Members: Oh, oh!

An hon. Member: What will Basford say about that?

Mr. Mackasey: —which means a decision one of these days.

Some hon. Members: Oh, oh!

Mr. Fairweather: That will help the Department of Justice.

Mr. Mackasey: In the meantime, one must commend certain Canadians for their initiative and wish them well.

Some hon. Members: Hear, hear!

Mr. Mackasey: Similar operations are going on in, I suppose, about 20 centres that are now back to work. I would suggest to the official of CUPW who sent out the telegram that he spend a little more time in communication with his president and the negotiating team to resolve the very few differences that exist between our position and that of the union.

While I have the opportunity, I might suggest to the hon. gentleman who is the consumer critic for the opposition that in his question to the Prime Minister he has misrepresented the facts. The proposed settlement with CUPW is well within the guidelines.

Some hon. Members: Order.

Mr. Baker (Grenville-Carleton): Hold your press conference outside.

Mr. Speaker: Order, please.

[Mr. Jamieson.]

NATIONAL ENERGY BOARD

ALLEGATION OF BIAS AGAINST CHAIRMAN OF BOARD IN CONNECTION WITH CERTAIN PIPELINE HEARINGS—GOVERNMENT REPRESENTATION AT COURT HEARING

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a very serious question to the Minister of Justice regarding an application now before the National Energy Board by Canadian Arctic Gas Pipeline Limited and Foothills Pipelines Limited of Calgary. A challenge objection has been filed by the Canadian Arctic Resources Committee. Has the Minister of Justice, his department or the government looked into this challenge of Mr. Marshall Crowe, chairman of that committee, to the effect that he may have some preconceived ideas in respect of the applications of these two major syndicates I have mentioned? This is an application or motion for prohibition which endeavours to prohibit the chairman from sitting. He is a graduate from western Canada and has held many high positions in the public service. I would also ask whether the Department of Justice intends to appear to make certain on behalf of the chairman that this is a fair and proper hearing before the court?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, as the hon. member knows, the matter to which he has referred has been referred by the National Energy Board to the Federal Court of Canada. At the present time I am considering what role the Attorney General of Canada should have at this hearing.

● (1130)

Mr. Woolliams: Mr. Speaker, as this is generally a speedy and extraordinary remedy which is being taken, would the Minister of Justice be prepared, if he is not able to answer today on such a serious matter related to the question of energy, which is one of the important factors in reference to inflation, to answer in the very near future and put in a representation for counsel so that Mr. Crowe, who was appointed by the government as chairman of the National Energy Board, a board appointed by the former Conservative government, will get a fair hearing.

Mr. Basford: Mr. Speaker, in answering the first part of the hon. member's question as to whether we will give a speedy reply, the answer is yes. I am endeavouring to ensure that justice is speedy in this country.

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THE CANADIAN ECONOMY

ALLEGED EVIDENCE LARGE CORPORATIONS CONTRIBUTE TO INFLATION—REQUEST FOR TABLING OF EVIDENCE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a question for the Prime Minister. There was a report in today's *Globe and Mail* in which the deputy minister of Consumer and Corporate Affairs, Dr. Sylvia Ostry, was quoted as saying:

> It seems clear that at times large and powerful industries have played an important leadership role in the inflationary process. As well, there is considerable evidence that prices in concentrated industries are less responsive to changes in the general level of business activity.

In other words, it is suggested that larger corporations are not responsive to competition and are major contributors to inflation. Would the Prime Minister say whether the deputy minister was enunciating government policy when she made that statement.

Right Hon. P. E. Trudeau (Prime Minister): I think the member would draw some conclusions from the fact that we have made these guidelines enforceable precisely against these large corporations so there does seem to be a valid point in the statement of the Deputy Minister of Consumer and Corporate Affairs and our precise action in this case seems to reflect it.

Mr. Leggatt: Mr. Speaker, my supplementary question is this: Since the Prime Minister's royal commission on corporate concentration will not report for at least another year and has already pointed out that it will not look at the adequacy of the combines legislation, can the Prime Minister at least request the Minister of Consumer and Corporate Affairs and the deputy minister to table this body of considerable evidence the deputy minister talks about dealing with the effect of corporate concentrations and their contribution to inflation, so at least the House will have access to this considerable body of evidence when giving consideration to Bill C-73.

Mr. Trudeau: There are two points, Mr. Speaker. I understand that the Bryce Commission is beginning its hearings next week and that the New Democratic Party is submitting a brief to it. That is fine and we will see what argument they have. But if I were to make any suggestion, Mr. Speaker, it would be that the hon. member and his party, rather than be interested in these theories, should back the government's program which precisely is going to restrain prices against those very corporations.

INFLATION—PRIME MINISTER'S VIEW ON PERCENTAGE INDUCED DOMESTICALLY AND INTERNATIONALLY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to ask the Prime Minister a question in this regard. I am under the impression that in July 1974 the Prime Minister indicated that the rise in our galloping inflation was primarily induced internationally whereas we, on the other hand, said it was induced domestically. I should like to ask the Prime Minister which one takes precedence and what percentage of our 11 per cent inflation rate now is domestically or internationally induced.

Mr. Speaker: In fairness, I should say that I have some doubt that this is the kind of information an hon. member should expect to receive during the question period. Perhaps the question might be posed in another way.

Mr. Alexander: Mr. Speaker, I would ask the Prime Minister whether he thinks the present rate of inflation at 11.2 per cent is primarily induced domestically, and to what extent?

Right Hon. P. E. Trudeau (Prime Minister): To a large extent, Mr. Speaker.

Mr. Speaker: The hon. member for Fundy-Royal.

Mr. Alexander: Mr. Speaker, I have just one supplementary.

Mr. Speaker: Order, please.

* * *

INCOME TAX

REASON FOR OMISSION OF DAY CARE COSTS FROM INDEXING

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Finance of which I have given him notice. Why was the deduction for day-care cost not included among the income tax deductions subject to indexing, indexing incidentally which was a proposal first suggested by my leader, ridiculed by the government and now espoused as a breakthrough in policy development.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, my advice is that those provisions of the Income Tax Act with regard to the child-care allowance did not have the benefit of the indexing provision.

An hon. Member: Why was it not included in the announcement the other day?

Mr. Macdonald (Rosedale): In answer to the hon. gentleman's question as to why that was not included in the announcement the other day, it is because it is not in the law. I am prepared, of course, to undertake consideration of that for a future budget.

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CRIMINAL CODE

POSSIBILITY OF AMENDMENT TO COVER ASSAULTS OCCURRING DURING SPORTS EVENTS—GOVERNMENT POSITION

Mr. Herb Breau (Gloucester): Mr. Speaker, I have a question for the Minister of Justice. In view of the fact that the action by the Attorney General of Ontario with regard to violence in hockey, as the minister has admitted in the House, would only deal with the situation with regard to the existing law within the Criminal Code, would the minister consider amending the Criminal Code in order to make it clear, since the league probably would use the same kind of defence that was used in the Minnesota Forbes-Boucher case, that violence in hockey—and I refer to situations which can be seen as criminal assaults outside of sports—and assaults within professional sports will be charged as criminal assaults, as they would if they occurred outside of sport.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I am not aware that we have the same difficulty in Canada as in the Minnesota case, but I would be happy to consider the Code. I will be meeting with the Attorney General of Ontario very shortly on a number of matters and will raise this with him.

Oral Questions

INDUSTRY

CONSTRUCTION—MEASURES TO AID SMALL FIRMS AND ENSURE CO-ORDINATION OF FEDERAL AND MUNICIPAL CONSTRUCTION PLANS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, might I direct a question to the Minister of Industry, Trade and Commerce. In light of the fact that small construction businesses show a declining proportion of total construction sales yearly, will the minister inform the House what steps he is taking to ensure the viability of these many small companies?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the hon. member will understand, apart from saying in a general way that we certainly will take all the steps we can, that I have been discussing with the various elements in the construction industry how our activity might be meshed with the activity, for instance, of the Department of Urban Affairs and the like, but anything beyond that I would not be able to cope with in a general answer in the question period. However, I will be glad to discuss it with the hon. member or perhaps answer a specific question.

Mr. Darling: Mr. Speaker, has the minister consulted with his cabinet colleagues in both the Department of Public Works and the Ministry of State for Urban Affairs to consider the co-ordination of federal and municipal government construction plans to ensure a more even rate of growth in the industry?

Mr. Jamieson: Yes, Mr. Speaker. This is one of the things I think the hon. member will know was proposed in general terms in a recent report of the economic council. I should point out, however, that there is an ambivalence in much of what I am hearing these days from, for instance, the business community which is insisting on substantial cuts in government spending but which also is asking what we are going to do to stimulate construction across the country.

* * *

GRAIN

COMMITMENT BY RUSSIA TO BUY FROM CANADA

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister responsible for the Canadian Wheat Board. In view of the fact that the United States and Russia have signed a multi-year agreement on grain sales, would the minister give his assurance to the House that Canada will still be a number one supplier of Soviet Union requirements in the upcoming years and whether or not Russia has given a definite commitment to the Canadian Wheat Board in this regard?

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker. The Soviet Union has once again confirmed it will look to Canada first for grain and that our very long-standing and mutually beneficial relationship with them is still firm.

[Mr. Basford.]

Mr. Murta: Mr. Speaker, I should like to ask the minister whether any thought is being given to signing a similar agreement with Russia or any other country to ensure a basic export sale of grain in future years so far as Canada is concerned with the countries to which we export?

Mr. Lang: Mr. Speaker, the Canadian Wheat Board is prepared to discuss and does discuss long-term arrangements with different countries from time to time and had indeed some of those arrangements. The question did come up between the Soviet Union and Canada during the last discussions between the Canadian Wheat Board and Exportkleb and it was agreed by them that the long standing and firm commitment that we have is in fact a better arrangement than a formal specific agreement.

● (1140)

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GOVERNMENT ORGANIZATION

SUGGESTED STUDY OF STRUCTURE AND EXPENDITURES TO PROMOTE EFFICIENCY AND REDUCE EXPENDITURES

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that the President of the Treasury Board and all our House committees have been active in identifying areas where we can reduce expenditures and that the need for even more reductions of greater magnitude is being made apparent, will the minister consider a broad study of the fundamental structure of government and its expenditures to promote more efficiency and savings in the total government operation, a study such as the one carried out by the Glassco Commission?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that is a constructive suggestion. I will be glad to give it further consideration and discuss it with my colleagues.

* * *

NATIONAL DEFENCE

TRANSLATION OF TECHNICAL DOCUMENTS INTO FRENCH LANGUAGE—REDUCTION OF COST BY NOT TRANSLATING OBSOLESCENT DOCUMENTS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. It has been reported that the DND is spending $250 million to translate technical documents into the French language and it has been stated that 50 per cent of the job could be eliminated if it were decided not to translate anything that will be out of date in five years. Will the minister be calling a halt to the translation of the documents that will soon be out of date in the Department of National Defence?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the plan to translate technical documents is proceeding, but the ones that are most essential will be translated first. We will be looking at all the documents with a view to seeing whether or not a transla-

tion is required, and this would of course include those that could be outdated in five years.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR IDENTIFICATION OF EXEMPTIONS FROM PROFIT GUIDELINES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Finance and it relates to profit guideline exemptions. It is related somewhat to the questions put to the minister earlier by the leader of the NDP. Considering that the Minister of Industry, Trade and Commerce has suggested that industry profits which are reinvested in projects to increase productive capacity may not be covered by the guidelines, will the minister identify all the exemptions that are to be permitted from the profit guidelines and whether any company which reinvests its earnings in productive capacity increases will be exempted from these controls?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have confirmed with the Minister of Industry, Trade and Commerce that his remarks were with respect to profits from the export business. We will be bringing forward some proposals with regard to a special levy.

ANTI-INFLATION PROGRAM—NUMBER OF COMPANIES TO WHICH GUIDELINES ON PROFIT-FLOW BETWEEN SUBSIDIARY AND PARENT APPLICABLE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, as the Minister of Industry, Trade and Commerce is prepared to consider profit flows from subsidiary to parent organizations as a special case in the application of profit guidelines, will the minister explain to the House in what way subsidiary-parent transfers are indeed special, and inform the House of his estimate of how many companies there are to which such a special arrangement might apply?

Mr. Speaker: Order, please. As the hon. member knows, the bill is before the standing committee and therefore that kind of question should not be put to the minister here.

* * *

EXTERNAL AFFAIRS

LEBANON—SAFETY OF CANADIAN NATIONALS AND FUNCTIONING CONSULATE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for the honourable and learned Secretary of State for External Affairs, whom I welcome back from ceilidh, and it is in reference to the regrettable situation in Lebanon. Can he report to the House on the continuing function of our mission and the safety of Canadian nationals there?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I thank my hon. friend for his welcome. The situation is that the Canadian mission has been advising Canadians for some days now, that unless there are compelling reasons to remain, they should leave the city and leave the country. With respect to the embassy staff, the policy is to send out dependants and other members of the staff who are not able in the circumstances to carry out their functions effectively. There is no question of closing the embassy or removing it. The embassy will continue to function in order to provide consular services to Canadians still remaining in the country. To my knowledge, as of yesterday it was still possible to leave by way of commercial airline and the authorities were providing security and assistance for persons who wanted to take advantage of that possibility.

* * *

ENERGY

ELDORADO—IMPORTATION OF EUROPEAN WORKERS—GOVERNMENT ACTION TO PREVENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. A week ago a telegram was sent to the minister, the Minister of Manpower and Immigration and other ministers in connection with Eldorado Nuclear Limited importing into Canada some 60 Europeans when there are available in northern Saskatchewan close to Uranium City 128 Indians and Metis who have the necessary physical and mental capacity to fill the positions. Has he consulted with the Minister of Indian Affairs and Northern Development in this connection, and will he assure the House that the company will be informed clearly and definitely that it is not in keeping with the Canadian spirit to import Europeans when Canadians are available for employment?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we have been in touch with the President of Eldorado and we have discussed the program with the company with respect to the employment of these people. I can assure the hon. member that there are such persons, that is Indians, on strength at present and we are most anxious to increase the number and to provide training facilities so that they can take their place along with others.

Mr. Diefenbaker: In the meantime, has the minister suggested to the Minister of Manpower and Immigration and with the assistance and support of the Minister of Indian Affairs and Northern Development that this group of Europeans should be told to stay over there so that the positions can be filled when the Indians and Metis have the necessary training, which at present has been denied to them?

Mr. Gillespie: I should like to reassure the right hon. member again that we are making every effort—

Mr. Diefenbaker: But when?

Mr. Gillespie: —at the present time, and this has been going on for some months, if not longer. At the same time, there is a serious shortage of certain skills which are not available and which require many years of training. For

that reason, the corporation is looking to other sources as well.

Mr. Diefenbaker: Forget Canadians and bring in foreigners.

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ADMINISTRATION OF JUSTICE

POSSIBLE CREATION OF FEDERAL SECURITIES COMMISSION—GOVERNMENT POSITION

Mr. F. A. Philbrook (Halton): My question is for the Minister of Justice. Is his department considering the creation of a federal securities commission to complement the provincial bodies and, if not, why not?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, that is a matter on which the department and the Minister of Consumer and Corporate Affairs have been doing considerable work in the past. I think the question should be more properly directed to my colleague.

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THE CANADIAN ECONOMY

ANTI-INFLATION BOARD—METHOD OF MONITORING PRICE INCREASES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance. It arises out of a statement made yesterday by the chairman of the Anti-Inflation Board that the board will ask 100 of the largest firms to identify their main product lines as a basis for an efficient system of price monitoring. In view of the minister's admission yesterday that the government had difficulties with drafting a list of corporations to be covered by the guidelines, can the minister tell us how the board will handle the complexities of price monitoring?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, this seems to me like one of the questions that might appropriately be asked in the committee and I will be glad to deal with it there.

Mr. Orlikow: In view of the intention of the Anti-Inflation Board, as announced by its chairman, to change the regulations governing the program as often as necessary to ensure that they are equitable and workable in their daily application, can the minister explain to the House how an effective system of price monitoring and control can be carried out in such a climate of change, or does the minister agree with the Minister of Industry, Trade and Commerce that virtually all excess profits will be exempt from the guidelines, thus making price monitoring unnecessary?

Mr. Speaker: Order, please. Similarly this question should be put to the minister in the standing committee.

[Mr. Gillespie.]

[*Translation*]

HOUSING

POSSIBILITY OF DEDUCTING MORTGAGE INTEREST FROM INCOME TAX—GOVERNMENT POSITION

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs.

As the home ownership assistance program is about to expire without the housing problem having been solved satisfactorily, and as the minister stated he would soon announce new measures in this regard, can he tell the House whether he intends to include in those measures to encourage home ownership the possibility for an owner to deduct his mortgage interest for tax purposes?

● (1150)

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I really could not indicate that without divulging the program. It will address itself, however, to the very real problems of high carrying costs of which interest rates are a major part. I will be making an announcement to the House on Monday on this matter.

[*Translation*]

EFFECT OF ANTI-INFLATION PROGRAM ON HOUSE CONSTRUCTION

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I have a supplementary question.

Could the minister advise the House whether the restraint measures which the government will take to fight inflation will slow down the home buyer assistance scheme and result in a further aggravation of the housing crisis in Canada?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the government has set housing as a priority and it continues to be a priority. We are approaching it from the view of supply so that it is indeed anti-inflationary and job creating. I think the hon. member will be pleased with the announcement I will make on Monday.

* * *

FINANCE

REQUEST FOR EARLY TABLING OF ALL SUPPLEMENTARY ESTIMATES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Minister of Finance. In light of the serious doubts raised by the President of the Treasury Board yesterday in his very partisan speech on the helpful motion put forward by my leader, I should like to ask the Minister of Finance if he would undertake before the Christmas recess certainly, and hopefully before we complete discussion on Bill C-73, to bring in all of the supplementary estimates for the present fiscal year so that the House and the country will know the extent by which the deficit proposed by the former minister of finance is going

to be exceeded and how successfully the government has been in cutting off the fat and frills on the existing estimates this year?

Hon. Donald S. Macdonald (Minister of Finance): I will consider the suggestion, Mr. Speaker.

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NATIONAL REVENUE

SUGGESTED RELIEF FROM PENALTIES FOR FAILURE TO RETURN TAX MONEY IN VIEW OF POSTAL STRIKE

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, may I put a question to the Minister of National Revenue. Will the minister now assure the House that he will honour the principle of the Postal Services Interruption Relief Act and grant relief to all citizens of Canada who are under a statutory deadline to make returns of money or records to him under the taxing statutes, for example income tax, federal sales tax, unemployment insurance, etc., so that these citizens will not have to apply individually to a judge of the federal court for repeal in order to avoid undeserved fines and penalties.

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I thank the hon. member for his representation. It is a route which we intend to take.

* * *

ENERGY

PROPOSED ARRANGEMENTS FOR PAYMENT OF OIL EXPORT TAX IN VIEW OF POSTAL STRIKE

Mr. Stan Schumacher (Palliser): Mr. Speaker, may I put a question to the Minister of Energy, Mines and Resources. Would he accept the spirit of the law just mentioned by the hon. member for Lethbridge as it has come to my attention that people are having to travel from Calgary to bring their export tax to his office in Ottawa. That seems a waste of energy. Perhaps arrangements could be made to have this tax paid at the bank in Calgary or to the Department of National Revenue there rather than adding this wasted transport cost?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I shall be pleased to look into that suggestion.

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NORTHERN AFFAIRS

REPORT OF TASK FORCE ON PROBLEMS OF NORTHERN BUSINESSMEN IN OBTAINING CONTRACTS—POSSIBLE REFERENCE TO STANDING COMMITTEE

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In July of this year the report of the task force formed to study problems encountered by northern businessmen in obtaining federal contracts was published. The report contained some 29 recommendations. Can the minister advise whether his department has taken steps to implement these recommendations and would he advise whether he is prepared to refer this report to the Standing Committee on Indian Affairs and Northern Development?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I believe there are 42 recommendations and subrecommendations involved in this. We have already taken action to implement ten. Five were not acceptable and we are still pursuing the rest which have involvement with other departments, agencies, and the territorial governments. I will have to take under consideration the question of referring the report to the committee.

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VETERANS AFFAIRS

ELIGIBILITY OF DISABILITY PENSIONERS FOR HIGHER WAR VETERANS ALLOWANCES—SUGGESTED NOTIFICATION OF PENSIONERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I address a question to the Minister of Veterans Affairs. As a result of the increases in war veterans allowances there is a widening disparity between them and the disability pensions of around 75 per cent. Would the minister advise the House if the pension commission or the War Veterans Allowance Board have been told to notify all those receiving disability pensions of less than 75 per cent and no other income that they could qualify for increased aid under War Veterans Allowances?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I feel that this information has been conveyed already by various means, especially the efforts of the Legion. They have undertaken to notify all veterans what is available to them.

Mr. Marshall: A supplementary question. In view of the fact that I think the minister is wrong and the information is not readily available to everybody, would he direct the pension commission when sending out their cheques to notify anybody who is receiving less than the rate that they can qualify for a higher rate? This should be done immediately.

Mr. MacDonald (Cardigan): Mr. Speaker, we will be glad to do this.

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[*Translation*]

AIR CANADA

ESTEY REPORT—POSSIBILITY OF PREJUDICE TO COMPANY BY EARLY IMPLEMENTATION

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I want to put a question to the Minister of Transport.

Concerning the Estey report and the suggestion to put some of its recommendations into effect immediately, even if the translation of the report is not completed, will the Minister of Transport assure the House that he will see to it that the principle embodied in the Official Languages

Act as regards the tabling of reports in the House is complied with, while ensuring of course that no prejudice is caused to the company referred to in the report?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, our objective has been to attempt to get the report translated and available for publication as quickly as possible and we will certainly try to do that. I think that speculation about its content in the meantime can be a danger and we will see whether we can do anything to guard against those dangers.

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BROADCASTING

PROPOSED PROHIBITION OF ADVERTISING OF NON-PRESCRIPTION SLEEPING AIDS—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Acting Minister of Communications. In view of the fact that evidence has been coming forward that non-prescription sleeping aids may be ineffective and potentially harmful, and in view of the fact that the Federal Trade Commission in the United States plans to issue regulations prohibiting false advertising of non-prescription sleeping aids, could the minister advise the House whether similar restrictions will be placed on advertising such preparations by this government or if it has plans to review this whole area?

Hon. Otto E. Lang (Acting Minister of Communications): Mr. Speaker, it seems to me at the very least that my colleagues in the Department of National Health and Welfare and the Department of Consumer and Corporate Affairs would be more involved than the Department of Communications, but I will see to it that the representations come to their attention.

* * *

FINANCE

REQUEST FOR STATEMENT OF BUDGETARY AND CASH DEFICITS FOR THIS YEAR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, a question for the Minister of Finance. In view of restraint in government spending being such an important part of any anti-inflationary program, and in view of the minister's references to the June 23 budget as being the basis of the current fiscal stance of the government, would the minister indicate if the budgetary deficit of $3.2 billion and the cash deficit of approximately $5 billion still holds or is a larger deficit on a budgetary and cash basis anticipated?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am not proposing to make any statement on these figures at this time.

Mr. Baldwin: I bet you are not.

[Mr. Corbin.]

THE CANADIAN ECONOMY

GOVERNMENT POSITION ON IMPOSITION OF PRICE FREEZE

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is also for the Minister of Finance. In a speech in Vancouver yesterday Mrs. Plumptre proffered what she called a well deserved compliment to the Premier of that province for his imposition of a price freeze, saying that he deserved compliments for his courage and statesmanship in taking these two steps. Has Mrs. Plumptre or the board made any recommendation to the government with respect to the imposition of a price freeze at the federal level and if not, is it the government's intention to impose such a freeze?

Hon. Donald S. Macdonald (Minister of Finance): We have had no such representation, Mr. Speaker, and it is not our intention to do so.

GOVERNMENT POSITION ON IMPOSITION OF PRICE FREEZE IN YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, a supplementary question for the Minister of Indian Affairs and Northern Development in his capacity as the Czar of the Yukon and Northwest Territories. Does the minister intend to cause the price freeze to be imposed in the two northern territories?

● (1200)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I regret that I did not hear the first question and am not sure whether the hon. member was referring to government economic action. I have discussed with both commissioners the implementation of the guidelines with respect to territorial governmental operations and am awaiting their responses.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: 974, 3,133 and 3,159. I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

POWER CORPORATION

Question No. 974—**Mr. Rodriguez:**

1. Does Power Corporation have any direct or indirect interest in exploration, importation, sale or transmission of any energy resource and, if so, what aspects and what resources?

2. Does the Deputy Minister of Energy, Mines and Resources have a direct or indirect interest by trust, family, or corporate device in Power Corporation or in any corporation providing capital of any kind in these areas and, if so, what is the nature of his holdings?

Hon. Mitchell Sharp (President of the Privy Council): 1. Power Corporation being a private corporation, information about its direct or indirect interest in exploration, importation, sale or transmission of any energy resource may be found wholly or partly in public records of competent regulatory agencies in Canada, the media generally and specialized periodicals particularly, and failing this, through inquiries directed to the Corporation's Headquarters or specialists in the field of energy or the capital market place.

2. No, with respect to direct or indirect interest by trust, family or corporate device in Power Corporation. As to the second aspect of the question, this is so broad in scope that it cannot be answered since it could embrace holdings of policies issued by private insurance companies, deposits in banks, trust companies and credit unions, some or all of which operate in capital markets.

VETERANS' HOSPITALS

Question No. 3,133—**Mr. McKinnon:**

1. As of October 1, 1975, how many veterans hospitals are still under the control and operation of the Department of Veterans Affairs and where are they located?

2. How many hospitals have been turned over to provincial or municipal authorities in the past three years and where are they located?

3. Is it the intention of the Department to force the handover of those hospitals which have not to date been handed over to provincial or municipal officials, or is it the intention of the Department to retain those hospitals indefinitely?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Six: Camp Hill Hospital, Halifax, N.S., Queen Mary Veterans Hospital, Montreal, P.Q., Ste. Anne's Hospital, Ste. Anne de Bellevue, P.Q., Westminster Hospital, London, Ontario, Deer Lodge Hospital, Winnipeg, Manitoba, Colonel Belcher Hospital, Calgary, Alberta.

2. Three: Lancaster Hospital, Saint John, N.B., Shaughnessy Hospital, Vancouver, B.C., Victoria Veterans Hospital, Victoria, B.C.

3. It is still the intention that veterans' hospitals be transferred to the community under conditions acceptable to the Department.

UIC—NUMBER OF CLAIMS AND BENEFITS PAID IN 1974

Question No. 3,159—**Mr. Reynolds:**

1. (a) How many claims were made against the Unemployment Insurance Commission during the year 1974 (b) how many were initial claims?

2. What were the total benefits paid for the year 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned—1 and 2. See Statistics Canada Publication 73-001 entitled "Statistical Report on the Operation of the Unemployment Insurance Act".

GOVERNMENT ORDERS

[*English*]

ANIMAL CONTAGIOUS DISEASES ACT

AMENDMENT TO EXTEND THE APPLICATION OF THE ACT

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-28, to amend the Animal Contagious Diseases Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, Canada's animal health standards are among the highest in the world. As a result, our livestock and livestock products are welcome in practically every country of the world. Last year our exports of live animals, meat, poultry and livestock by-products were worth close to $475 million. They were shipped to 120 different countries, all requiring Canadian veterinary health certification of varying degrees.

Within Canada, more than half of all farm income comes from the sale of livestock and livestock products. In 1974, farm cash receipts for cattle, hogs, sheep, poultry, eggs and dairy products were more than $4 billion. The extent of our animal exports and the prosperity of the Canadian livestock industry is directly linked to the high standards of animal health which are maintained in this country under the provisions of the Animal Contagious Diseases Act.

The savings to the cattle industry because bovine tuberculosis has been eradicated is more than $15 million annually, not to mention the savings in human misery and hospitalization costs from bovine tuberculosis in humans. The reduction of brucellosis in cattle to less than 1 per cent of the cattle population results in similar savings, including the reduction of undulant fever in humans. It has cost Canada approximately one cent per marketed hog to maintain complete freedom from hog cholera. Prior to the present eradication program in the United States, it cost $1 per marketed hog to keep hog cholera under control through the use of vaccines. Before the introduction of the eradication program, hog cholera had cost the United States $75 million per year. Hog cholera has not been completely eradicated in the United States. Last July there was an outbreak in the state of Texas and, using eradication techniques, they eradicated some 3,000 swine.

These three examples, together with our livestock and livestock exports, which are dependent upon our animal health status, give adequate proof that it is to Canada's advantage, not only from a livestock production point of view but from a human health point of view, to maintain the highest possible standards of animal health.

The original act to control and eradicate animal diseases was passed by this House in 1869. Since that time it has been amended as needed to keep pace with changing conditions. We are now at a point in time when the act must be further updated if we are to protect Canadian farmers against livestock losses due to disease, and retain our international reputation and markets for high quality livestock.

This bill to amend the Animal Contagious Diseases Act provides, as set out on pages 14 and 15, clauses 31 and 32, authority for the development of a program for reducing the incidence of disease and sickness in animals entering

or leaving Canada or being transported within Canada, and provides for humane treatment of animals. Over the years there has been an increase in the percentage of livestock losses sustained during long transportation across the country. In order to reduce and, if possible, eliminate these losses, regulations must be introduced to cover the movement of animals by truck, rail, air and ship within and out of Canada.

The bill, as set out on page 6, clause 4(3)(p), extends the Animal Contagious Diseases Act to regulate the construction, operation and maintenance of animal deadyards and rendering plants. It is important that the carcasses of animals that have died do not enter the human food chain. The bill provides us with such authority, including the important authority to regulate packaging and marking of the products of such yards.

The provisions for compensation payments to livestock owners whose animals must be slaughtered under disease eradication programs must also be amended. I am referring to clause 9 which amends sections 12(1) and 12(2) on pages 10 and 11. The present system provides for compensation values with the owner also receiving the slaughter value, where this is permissible, of the animal. The current compensation rates have created inequities. Many cattle have varying values due to various factors including breed, genetic value and resale value. The present system is also inequitable because dairy cattle have lower slaughter values than beef breeds. Those changes are also included on pages 10 and 11 of the bill.

The proposed amendment will change the basis for compensation to be the fair market value of the animal up to a maximum amount prescribed by the governor in council, less the gross slaughter value received by the owner. The change in the act provides for more equitable returns to the owners of livestock ordered destroyed under the provisions of the act.

Another area added to the Animal Contagious Diseases Act is extended authority for the control of artificial insemination centres. The artificial insemination industry in Canada has undergone marked growth in recent years, to the point where approximately 52 per cent of dairy cattle and 10 per cent of beef cattle are bred by artificial insemination and, in addition, exports of frozen semen have in recent years exceeded $13 million annually. In its present form, the Animal Contagious Diseases Act provides for the control of the health of all bulls entering artificial insemination units; but because of the rapid development of the industry, both in domestic and foreign markets, it has become necessary, in order to further eliminate possible disease spread, to extend the control of such units to include the collection, processing, storage and identification of animal semen.

At present, Mr. Speaker, there are no regulations requiring disease-free certification of animals exported from Canada. While we do test and certify the health of all animals being exported, it is considered that if we are to keep the foreign markets we have on the basis of our high health status—and people all over the world recognize that we have one of the healthiest animal populations in the world—there must be adequate authority to require such certification should we be faced with a situation where someone wishes to take animals out of the country without adequate disease certification.

● (1210)

Animal by-products, fodder and other articles are sometimes ordered destroyed to prevent the spread of infectious diseases. Bill C-28 extends compensation so that appropriate payments can be made to owners when this occurs.

As new or different methods of feeding livestock are introduced, there are new threats for spreading contagious diseases. The practice of feeding garbage to swine and poultry, for example, threatens to spread many diseases. The food that people in Canada throw away could feed our total hog population. Some of this is used to provide energy, but most is thrown away in the form of garbage. This could be used, but we must be certain that the disposal of both domestic garbage and garbage brought into Canada on ships and aircraft is adequately controlled in so far as possible livestock usage is concerned.

While the control of garbage is presently, and has been for a number of years, carried out under the provisions of the Animal Contagious Diseases Act, our legal advisers tell us that authority for such control is not sufficiently clear in the present act. Therefore, the necessary authority is being more adequately stated in this bill. Again, while control of veterinary biologics, both domestic manufacture and imports, is carried on under the present act, it is considered that clarification of this authority should be more explicit.

The changes to the act will also allow for the setting up of health and disease control standards for zoos and game farms, make provision to require dairies, creameries and cheese factories to provide product samples for disease testing, and require foreign ships to seal their meat lockers and use Canadian meat while in our waters. This may seem rather extreme, but several years ago some sausage was illegally imported into western Canada and then thrown away. It cost this nation about $881 million to clean up that mess. Therefore, we feel that ships using our inland waterways should be forced to use Canadian meats. In this way, no meat from foreign countries will be dropped overboard or given to friends in ports.

In addition, a number of existing areas of authority under the act are being amended to make them more clear and effective. For example, Agriculture Canada has been working under the act to eradicate tuberculosis, brucellosis and other diseases on an area basis for 40 years. The existing legislation does not clearly provide for the establishment of such areas and this, therefore, is being corrected. In the same vein, animal semen, poultry, other birds, bees, reptiles, hatching eggs and fertilized ova are specifically included in the jurisdiction of the act in order to eliminate confusion or misunderstanding with respect to definitions.

I have recently received correspondence from some members of parliament and others with regard to the spraying that took place in Winnipeg, Windsor and other areas which caused damage to the bees. Under the present act, there is no way for the owners to be compensated for the loss of their bees. This amendment will allow compensation to be made. Imported hides and wool as a possible disease source are already dealt with under the act and the

regulations made thereunder, but the authority for this control is again being clarified with the new definition of animal by-products.

I know all hon. members recognize that a strong act, with adequate authority to control and eradicate animal diseases and to prevent the possible introduction of contagious and infectious animal diseases into Canada, is absolutely essential for the well-being of our livestock industry. I am sure that members of this House, when giving consideration to this bill—and I must say we have waited a long time, as it is over a year since it was introduced in the House—will recognize the essentialities involved in order that it can be put into place as soon as possible.

I am convinced that Bill C-28, involving the control of infectious and contagious diseases of animals, including a number of such diseases transmissible to man, will be of benefit to all Canadians.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is a privilege for me to take part in this debate on Bill C-28, an act to amend the Animal Contagious Diseases Act. The Animal Contagious Diseases Act is administered by the Contagious Diseases Section of the Health of Animals Branch of Agriculture Canada. For the knowledge of hon. members, it does not have anything to do with the inspection of meat; it is a different section of the act.

The objective of the legislation and of the division is to keep and protect the nation's livestock population from contagious and infectious diseases. The division, operating under the authority of the act, controls and regulates the importation of animals and animal products, eradicates exotic diseases when they gain entry into the country, controls and eradicates established diseases, and is responsible for the certification of livestock for export.

Such an act, or something similar to it, first made its appearance in 1865. Since that time it has had many revisions and changes. Up to 1970, when the last revision was made, there had been 25 revisions and changes. The act has not been amended since that time except for the coming into force of section 14 on January 1, 1972. That is the date on which the Pesticide Residue Compensation Act came into force.

The Animal Contagious Diseases Act confers very wide powers and regulations for the achievement of the objectives of the act, namely, to prevent the entry of animal diseases into Canada and to eradicate or control those that are already established in this country.

It would be, perhaps, more convenient to summarize the legislation within the context of the three classic procedures for combatting disease, namely, exclusion, eradication and control. Under exclusion, the procedure includes measures to reduce to a minimum the means by which disease is introduced. Such measures include compulsory quarantine and inspection, embargoes, the importation of animals, animal parts and products from places where diseases are known to exist or not known to exist.

The act provides for the establishment of quarantine stations and for the destruction of imported animals known to be diseased or suspected of being diseased. Inspection is also carried out in ports on the Atlantic and Pacific coasts, along the Canada-U.S. border, and airports, to enforce the provisions of the act. With regard to eradication, the legislation recognizes that in spite of the most rigorous inspection procedures, disease will from time to time be introduced into Canada from abroad. The act, therefore, confers very wide powers to test and, if necessary, destroy infected animals and animals suspected of being infected with or exposed to disease. If possible, destruction is avoided by quarantine of animals within designated areas, and subsequent treatment until authorities are satisfied that the disease has been eliminated.

All affected areas and premises are included under the legislation, as are all infected vehicles and vessels associated with the disease in question. The requirements of the law make it incumbent on all owners, breeders, dealers and importers of animals to give immediate notice to the Department of Agriculture of the appearance of any disease. Veterinary surgeons are also included under this requirement. The marketing, sale, exhibition, and so on, of animals is covered by the legislation, as is the removal of animals from an infected area. Where the diseases are eradicated by the slaughter of animals, the legislation provides for compensation to the owners.

● (1220)

Under control, where a disease has become established in Canada the legislation facilitates the investigation and reporting of outbreaks. Quarantine procedures can be instituted, and therapeutic measures, including vaccination, are carried out where possible. More than 600 individuals, including veterinary inspectors, are employed by Agriculture Canada to carry out the provisions of the act. Inspectors have full power of entry into "any place or premises or any steamships, vessel or boat, or any carriage, car, truck, airplane, horse-box or other vehicle used for the carriage of animals." Inspectors are empowered to make official declarations as to the presence of disease, and they also have the power to arrest offenders.

The foregoing is just a brief introductory summary of the main provisions of the Animal Contagious Diseases Act. Bill C-28 calls for the changing of the name of the act from its previous name to the Animal Disease and Protection Act, which more clearly describes the purpose of the act as amended. Much of the preliminary work regarding Bill C-28 was undertaken by the Senate Committee on Agriculture back in the spring of 1974 when it was introduced there as Bill S-2. At their hearings, which lasted for several weeks, the Senate committee heard representations from Mr. Charles Gracey, manager of the Canadian Cattlemen's Association, from Mr. C. G. Munro, president, Canadian Federation of Agriculture, as well as from representatives of Canadian Pacific Railway, a representative from the Health of Animals Branch of the Department of Agriculture, representatives from the Canadian Council on Animal Care, the Canadian Federation of Humane Societies, the Canadian Association for Laboratory Animal Science, the Department of Justice, and others. In my opinion, the Senate Committee on Agriculture did a very thorough and excellent job and should be commended for their hard work. Much of Bill C-28 as it is now written has resulted from findings and information compiled by that committee on Agriculture.

Most of the changes advocated by Bill C-28 are progressive and timely. The new provisions call for the examination of all animals prior to being loaded in aircraft, railway

cars, ships or other vehicles. This was not previously carried out. Overcrowding will now be controlled. There are to be more adequate provisions for feeding and watering animals transported by rail across Canada. The maximum number of hours animals can be transported before being unloaded for rest, food and water will be more adequately established. The act will establish guidelines in accordance with the specifications set down for the construction of animal stalls, pens, fetterings, containers, etc., and how they are to be maintained. There are also new provisions for the payment of compensation for hay, straw, fodder, foodstuffs, fertilizer, manure, containers, etc., if they are infected with an infectious disease. The compensation would be at market value.

One of the very few objections I have to Bill C-28 concerns the provision for paying farmers compensation for animals ordered destroyed by the Health of Animals Branch. Section 12(2)(b) provides:

> In case of cattle or sheep destroyed pursuant to any area or herd disease eradication program instituted pursuant to the regulations, such maximum amounts will be paid as may be prescribed by the governor in council for pure bred or grade animals minus an amount equal to the value of the carcass, as determined by the minister or a person appointed by him for that purpose.

This clause could cause considerable hardship to farmers if it is not interpreted sympathetically. If a farmer is called upon to suffer considerable loss as a result of disease such as brucellosis and tuberculosis and is forced to destroy all or most of his herd in order to eradicate the disease, his loss could bring him to the verge of total ruin should the compensation he receives be insufficient to replace his herd. I do not think a farmer should have to face losses of any kind when faced with such a problem. He has a hard enough time making ends meet, without having to risk losing his herd.

I believe the Department of Agriculture should take a much harder look at this section with the purpose of treating farmers more equitably in this regard. I am suggesting that a farmer should at least break even, enabling him to recoup his losses at no cost to himself. We should do everything possible to keep farmers producing and on the land. We should not discourage them, as this section could easily do. I urge the department and the Standing Committee on Agriculture to give more consideration to this provision, when it is brought before them for further examination, and to spell out exactly what amount of compensation they have in mind so that we may all know where we stand. The future of many farmers, whether they decide to stay in farming or not, may well depend on it.

One way to handle the problem of compensation equitably would be to pay a farmer replacement value for an animal ordered to be destroyed. Determination of this value would be made on the basis of the age of the animal, its quality and its probable usefulness in a producer's operation. Regard will be paid to the cost of importing new breeds of animals as well as to cross-breed programs involving beef cows and dairy stock. Compensation of this type would mean more flexibility, range and realism in the level of compensation paid. It would also make farmers better inclined to co-operate even more fully with the Health of Animals Branch in animal disease eradication programs, knowing that their personal losses would be recompensed and that they would be in a position to start again with new herds.

[Mr. Mitges.]

I should now like to say a few words about brucellosis. Brucellosis is an infectious disease of cattle characterized by abortion, retained placenta and infertility. The disease can cause undulant fever in humans and can be contracted if a person drinks raw milk from an infected cow or comes into direct contact with infected material. For many years, the control and elimination throughout the world of communicable animal diseases such as brucellosis has been the goal of the veterinary profession and of the livestock industry. The main reasons for this effort are that such diseases not only cause high economic losses to farmers and to the agriculture industry, but also that many of them, as the minister has pointed out, may be transmitted to man. We are fortunate in Canada that, through the concerted efforts and understanding of our livestock industry and the veterinary profession, Canadian livestock is now free from many of the foreign animal diseases which plague most countries throughout the world.

This is never an easy task, however. The prevention, diagnosis, control and eradication of communicable diseases are always complex because of the many and varied factors associated with their dissemination. When these problems are compounded by the use of vaccines and dependence upon a biological test for diagnosis, eradication becomes even more difficult to achieve. Brucellosis is one of the serious communicable diseases of animals. It has cost the livestock industry of this nation many millions of dollars each year. At the same time, it exposes the human population to undulant fever, causing suffering, misery and high costs in medical treatment and hospitalization. I, for one, am a prime example of that: during my practice I did get undulant fever and had a difficult time getting rid of it.

The obvious manifestation of brucellosis most often results in the abortion of the foetus, together with the decrease or total loss of milk yield of the dam. However, we are sometimes inclined to overlook the losses caused by temporary or permanent sterility and the reduced sale value of cattle in infected herds. In the early 1950s, these losses to the cattle industry in Canada were estimated at well over $10 million annually when the brucellosis infection rate for cattle was calculated as being between 8 per cent and 9 per cent.

Brucellosis control in Canada was started about 40 years ago in the early 1930s with the introduction of the voluntary brucellosis-free herd program. While the program was effective, primarily in closed pure bred breeding herds, it did little to reduce the national infection level. Therefore, in about 1950, following a national survey which showed an infection rate of almost 10 per cent, it was decided to institute a national program directed in the long term toward eradication of the disease. The first step toward this eradication was the establishment of the federal-provincial calfhood vaccination program. This program was the combined effort of the Department of Agriculture and the provincial departments of agriculture, with the federal department providing the vaccine and the provincial departments carrying on the program.

● (1230)

At this time it was recognized that actual vaccination itself was not the answer. We knew at that time that it would not completely eradicate the disease, but would lower the percentage of infection. I think the problem today is that some people have placed total reliance on the vaccination program in order to eradicate the disease, and the program will not do this. The fact of the matter is that we must have a test and slaughter program if we want to get rid of the disease completely. In addition, vaccination is only about 66 per cent effective and only two out of every three calves that are vaccinated are protected.

Despite this, the program was to a certain extent a success. In 1950-51 there were almost 150,000 calves vaccinated. By 1963-64 almost 1½ million calves had been vaccinated. By 1973-74 the number had gradually dropped off to almost 27,000 calves. In 1957, when the infection rate had come down approximately 4.5 per cent, we decided that a test and slaughter policy was the only way we could completely eliminate the disease. This test and slaughter, or eradication program called for the establishment of brucellosis areas throughout Canada with all cattle, excepting calves under eight months old, steers, spayed heifers and official vaccinates up to 30 months old being tested by the agglutination test, and reactors were slaughtered, with compensation being paid. By the fall of 1966, all of Canada had been brucellosis tested and, where necessary, retested to reduce the infection rate to .2 per cent. As a result, areas were considered brucellosis accredited for five years. During the period 1957 to 1966 approximately 191,000 reactors were slaughtered, with the high point being 33,000 in 1960-61, gradually reducing to 12,000 in 1965-66. During the same period, some 10,700 cattle were blood tested, with a total of $13 million being paid in compensation.

Again recognizing that total eradication could not take place in conjunction with mass calfhood vaccination, together with the fact that the national infection rate was below .2 per cent, it was agreed that the next step toward total eradication should be taken. This next step was a gradual de-emphasizing of calfhood vaccination which was commenced in 1971. It was pointed out by others that de-emphasizing vaccination was not in any sense the elimination of vaccination, because the elimination of vaccination would have to come gradually. Even at this, it was recognized that there would be difficulties in eliminating the last vestiges of infection, inasmuch as we would have to go through a period of vaccinal withdrawal. This means that as herds in which infection was being masked by calfhood vaccination gradually discontinued vaccination and developed susceptible cattle, the residual infection rate did begin to show up. In addition, as active infection showed up in these problem herds, it followed that there would be minimal spread to other herds, for we now had the bulk of our cattle totally susceptible.

A number of countries throughout the world have eradicated brucellosis, namely, Norway, Sweden, Denmark, Holland and West Germany. As vaccination was withdrawn, these countries experienced difficulties in the elimination of the last vestiges of infection, similar to our present problem in Canada. However, they are now free and prohibit use of brucellosis calfhood vaccine. These countries reiterate and continue to report that in their view brucellosis vaccination causes confusion of the picture when eradication measures are in fact the goal.

Throughout Canada, in the fiscal year 1970-71 we had 3,884 brucellosis reactors in 170 herds. In 1971-72, these figures were 3,806 cattle and 153 herds, but in 1973-74, as the number of susceptible cattle increased and as the endemic herds began to show up, these figures rose to 8,849 cattle and 297 herds. When the 1974-75 figures are completed it is expected that the cattle number will be up slightly but the herd number will be up considerably because of herds having single reactors.

There has been a problem of complacency both in the veterinary profession and among livestock owners. Brucellosis being reduced to less than one-tenth of 1 per cent was unheard of or was very rarely seen in herds, and when abortions did take place one of the last things that herd owners thought of was brucellosis. I am just as guilty as anybody else in this regard. In my last three years of practice I never thought of brucellosis when I had cases of abortions, much to my sorrow when I found out by testing that brucellosis was the cause.

In addition to this complacency, less care was taken with respect to the movement of cattle from one herd to another. Less care was also taken in the purchasing of cattle, which meant, in fact, that infection did take place through movement of cattle. In days when the infection rate was high and everyone was conscious of brucellosis, infection did not take place.

What is being done in an attempt to eliminate this problem that we are facing today? What are we going to do about it, and how are we trying to combat it? First of all, in community auction sales, of which I have had two or three, all cattle going back to farms are being tested and, of course, backtagging of slaughter cattle is being done at these community auction sales. We are also ordering the slaughter of calves from infected cows and encouraging owners to get rid of reactors promptly. The cleaning and disinfecting of premises quickly and effectively has also been advocated. Again, this has been part of the complacency problem: there has been some difficulty persuading owners to dispose of reactors and they have been left in the herd. Perhaps it can be said that there has been too much leniency in letting owners keep these reactors in their herds to the point where they have spread infection before being removed and in the meantime additional cattle have been infected.

All livestock owners should take every necessary precaution possible with respect to brucellosis. No owner should add cattle to his herd unless the animal has been tested beforehand, held under isolation for 30 days and rested. It is imperative that owners report any abortions immediately and take precautions with respect to visitors to his herd. If these simple precautions are taken, the spread of infection from one herd to another, we can be assured, would almost be eliminated.

In conclusion, Mr. Speaker, we are now faced with a choice with respect to brucellosis, having gone through national calfhood vaccination schemes, national testing schemes, a gradual drop in vaccinations and a gradual increase in the number of susceptible cattle in the country. We can keep the disease at a low infection level by carry-

ing on with the present methods and continuing vaccination. This will not eliminate the infection, as I have said, but it will permit us to carry on with a low level of infection. This choice provides that if mass vaccination takes place throughout Canada, it will involve approximately three million calves a year, if we vaccinate all the calves in Canada, at a total cost of $12 million to $15 million annually.

● (1240)

The second choice which has been proclaimed—I certainly agree with it—involves the decision that brucellosis should be eradicated. In fact, brucellosis can be eradicated. As I have said, this has been done in other countries—and I mentioned them—and it can certainly be done here. With total eradication, I suggest that now or in the immediate future vaccination will be eliminated. It will take a while to do this, but if owners go along with the idea I think it is the only solution we have. It involves totally eliminating vaccination of calves against brucellosis.

In spite of the present opposition, I think we are making progress. With the co-operation and support of the livestock industry, it is felt certain that eradication can be accomplished. But the livestock industry must want eradication and must not want to live with infection. If we can convince the livestock industry of this fact, I think we will be well on the way to totally eliminating this disease. All of us working together in federal and provincial jurisdictions to fight this disease is the only way we can hope to eliminate it once and for all.

Our party supports the principle of Bill C-28, and except for a few changes that may be advocated at the committee stage, which may hold it up slightly, I see no reason for not passing the bill with the minimum delay.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had hoped that my colleague, the hon. member for Timiskaming (Mr. Peters) who had to be in his constituency yesterday, would be here in time today to speak on our behalf in respect of Bill C-28. Since he has not arrived yet, perhaps I might say a few words to indicate our support of this bill. Indeed, I hope that it will not take long for it to be put into effect.

As the previous speaker, the hon. member for Grey-Simcoe (Mr. Mitges) indicated, there may be some details to examine more closely when the bill is before the standing committee, but in general we welcome this legislation. We are sorry it has had to stay on the order paper for a full year before getting to the stage of second reading.

As the previous speaker pointed out, perhaps one of the significant points to note is that the name of the act is being changed, and I suggest it is more than just a change of name. From now on, instead of this legislation being known as the Animal Contagious Diseases Act, it will be known as the Animal Disease and Protection Act. As the minister put it, and as notes in the bill make clear, this is consistent with the fact that provisions are being made in this legislation to deal not only with diseases that may affect animals but also with things that can happen to them in the process of transportation, and so on.

As the minister reminded us, this legislation has been around for a long time, having first been passed in 1869, and it is understandable that some updating is necessary. One of the ways in which that updating is clear, it seems to me, can be seen when one looks at some of the definitions that have had to be enlarged. For example, we now have a definition of "animals" which, as the minister says, includes a bee. We also have an improved definition of "animal products," "animal by-products," "infectious diseases," "reportable diseases," and so on. It is our view that these are all improvements, technical though they may be, which will make it possible for the department to administer this legislation in the interests of all farmers in this country and also in the interests of the consumers of livestock products.

I note in particular that there is a whole new part of the bill having to do with transportation. This seems both necessary and welcome. We note, also, the parts of the bill having to do with what can happen, or what must not happen to dead animals. This is something that has been of concern. I realize we are not now talking about matters that come under the Department of National Health and Welfare, but we are talking about a related matter. There is some public agitation and concern about this, and it strikes us that the minister's bill will meet these concerns.

Like the hon. member for Grey-Simcoe, I think a further look may need to be taken in the committee at the whole question of compensation for animals that are ordered to be slaughtered under the terms of this legislation. I join with him in saying a few words, particularly about the question of brucellosis. I think the speaker who preceded me, professional that he is in the field, was very much on the beam when he said the time has come to resolve the question as to whether we are going for vaccination or for the eradication of this disease.

As the minister knows, back in in the 1940s a very elaborate campaign of vaccination against brucellosis was launched. I understand at the height of that campaign it reached the point where a million or more animals had been vaccinated against brucellosis. More recently, the government has been de-emphasizing the brucellosis vaccination campaign and emphasizing the greater desirability of eradicating the disease completely. That, of course, means that the slaughtering of animals comes more and more into the picture.

I understand that in most parts of Canada the problem is reasonably well under control. In western Canada, I think it is under control in all provinces but Saskatchewan, and the authorities there are making progress. I understand it is under control in the Atlantic provinces. I am told that the worst problem is right here in Ontario, and perhaps the worst of all right here in the Ottawa Valley. While it is not something to be alarmed about, it is nevertheless a problem that should be conquered.

It seems to me that the criticism is valid when it is said the levels of compensation the government offers for animals that have to be destroyed because of brucellosis are not high enough to encourage the owners of stock to go for the eradication route. If you do not pay these owners enough for the animals that have to be slaughtered, then they are more interested in vaccinating, hoping they can gain by that economically. I suggest that the previous speaker was quite right in saying that the vaccination

route is not a good one, but that eradication of the disease is what we must seek to achieve.

If this is the case, the amount of compensation must be sufficient to encourage stockowners to support the eradication program. To offer the owner of a good herd $500 per animal, when some of those animals may be very valuable breeding stock worth several thousand dollars, is not to encourage cattlemen to support the eradication program. I know that the government's approach to this problem is to suggest that owners of valuable breeding stock take out insurance against disease. Let me get my lick in by saying that is a good idea if the government will provide the insurance arrangement, but to leave it on an ad hoc or helter-skelter basis, I suggest, will not solve the problem, especially when such insurance is very costly or perhaps not even available.

I gathered from the remarks of the hon. member for Grey-Simcoe that his party will support the bill generally, and in fact that most of the details are acceptable. I agree with him that there needs to be a good deal more discussion in the standing committee about the rates of compensation for slaughtered animals, and I hope such discussion will take place. I join the hon. member, on behalf of my party, in supporting the eradication route with regard to brucellosis as better than the vaccination route. But if we expect the farmers to join in supporting such a program, I believe we shall have to do a lot better than this legislation provides in respect of providing compensation. With those few remarks, I am happy to indicate that this party will be voting for second reading on Bill C-28.

● (1250)

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-28, the amendments to the Animal Contagious Diseases Act. This bill has been on the order paper for over a year now and I think it is important that it be dealt with now. This is very important legislation. As previous speakers have mentioned, its predecessor was one of the first acts passed by the new parliament shortly after confederation in 1869.

An hon. Member: Stanley Knowles should know.

Mr. Foster: There is an important change in the name of the act which reflects the change in direction. I refer to the change from an act of parliament that was essentially introduced on the premise of contagious diseases to one which deals with other aspects such as the protection of animals, especially during transportation.

As I understand it, the control and regulation of the shipping of animals has been limited in the past by a section in the Criminal Code which specifies that every 36 hours animals must be unloaded, rested, fed and watered. However, there is no provision under this act or through the Health of Animals Branch of the Department of Agriculture to control transportation of animals. However, there has been co-operation by the transportation companies with the Department of Justice and the Department of Agriculture in exercising control in this regard. Important research studies have been carried out in regard to transportation and the results of those studies which are still being carried out will be reflected in the new regulations which will be written when these amendments are passed. This really adds another important dimension to the regulation and control in respect of the health of animals moving from the narrow limits of contagious diseases into the matter of the protection of animals, especially during transportation.

I am not sure people in this country fully appreciate the importance of our animal contagious diseases control program as it is carried out by the Health of Animals Branch of the Department of Agriculture. In 1973, over 120 countries received either live animals or animal products worth some $700 million that were stamped "Canada Approved". This stamp indicates approval by our veterinarian inspectors under the authority of the Animal Contagious Diseases Act. It became apparent to a recent parliamentary delegation which recently visited Cuba that perhaps the most important trading link Canada has with that country is the exportation and importation of many thousands of dairy cattle. This has improved Cuba's whole economic situation and the nutritional position of that country. The co-operation in this regard, I must say, is very much appreciated. Other countries such as Ceylon or Sri Lanka have benefited because of co-operative programs involving exchange of our professionals and information, as well as the supplying of a veterinarian college to Ceylon several years ago.

Few Canadians are aware of the fact that we have two quarantine stations in the mouth of the St. Lawrence River. There is one at Grosse Isle and one at St. Pierre Island. At these two points we regularly inspect and carry out a quarantine program in respect of the importation of cattle from other countries, especially western Europe. This involves the breeds that are not so familiar to us here in Canada. In this way we are in a position to test these animals and bring them in with an assurance that really serious diseases such as foot and mouth disease will not infect our Canadian livestock. At the same time, we have an opportunity to bring these breeds in for breeding purposes and thereby improve our general livestock population.

It seems to me there are three or four important aspects of this bill. One is transportation. Another is the change relating to compensation and the technical changes that are applied in this bill. I have already mentioned the important changes that are proposed to control transportation of animals. Surely, it is more appropriate that these be carried out under the Department of Agriculture than under the Department of Justice, and the Criminal Code.

I should like to refer briefly to the compensation sections which the hon. member, my colleague in the veterinary profession, the hon. member for Grey-Simcoe (Mr. Mitges) has mentioned. He referred to the importance of this change in the compensation program and that it will be more adequate for ensuring that the agricultural community is adequately compensated for animals which must be slaughtered. I think the present system provides that the livestock owner who has an animal which is condemned for slaughter receives a fixed amount plus the salvage value of the animal that has been ordered to be slaughtered. This creates inequities, because if the animal is slaughtered and the meat is suitable for human consumption, the farmer receives a fixed amount plus the

value of the animal, but if the animal is condemned he merely receives the flat compensation amount.

Mr. Speaker, I see it is one o'clock. Perhaps I could call it one o'clock.

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Foster: Mr. Speaker, before we adjourned for lunch I was talking about the compensation provisions under Bill C-28. The present method of compensation for livestock owners who have animals which are condemned because of disease provides a fixed amount of compensation. In some cases, on top of this the owner is able to realize the salvage value of the animal. However, this varies a great deal depending on the circumstances and whether the animal can go for food purposes or whether it has to be condemned for food purposes. Under the bill before the House, the livestock owner will be compensated to the fair market value. It seems to me that this method of compensation is much more fair to the livestock owner.

Also, there is provision in the bill for compensation for fodder or feed which has to be destroyed because of the diseased condition of the animals on the premises. I think the committee should look at other aspects when a complete herd must be depopulated and income is curtailed for short periods of time. This is something which requires much more study, but I think the committee will want to look at the idea of making provision for this in the act. At some time in the future it may be deemed advisable to write regulations in this regard. That is not to say that the livestock owners do not have a responsibility. It seems to me that they have a responsibility, when purchasing animals, to take adequate precautions related to sanitation and disease.

Good assistance is available from the Health of Animals Branch with regard to the testing of samples of blood or whatever biologic is used to examine the animal for disease. The bill also clarifies many parts of the existing act which perhaps are not as clear as they should be in light of the existing health programs and disease control programs which are now in effect in the country today. These relate to the designation of areas for disease control. There is further clarification of definitions such as concerning animals, birds, bees and domestic animals which are covered by this act, as well as veterinary biologics which have been covered previously, but the terminology is further outlined.

I think one of the important parts of this bill relates to the section concerning deadyards and rendering plants. In the past year we have had a great deal of publicity in this country concerning dead animals which were diseased finding their way back to the human food chain. This bill makes provision for the regulation of deadyards and rendering plants right to the construction, operation and maintenance of animal deadyards and rendering plants and the regulating of packing and marking of products of deadyards and rendering plants. Surely this is a very important addition to our health of animals program and further identifies the reason for changing the name of the bill, which refers to animal and human protection, as well as the infectious aspect of the bill.

Another aspect which is covered by the bill is the regulation and control of semen for artificial insemination purposes. Surely this is a very important aspect of Canada's export program. I understand that two million vials of semen are exported to some 30 different countries each year. It is important that there be control of diseases which might be spread in this manner.

• (1410)

I think it is important to recognize how much progress has been made in the control of disease in humans and animals because of the Animal Contagious Diseases Act over the years. Some 40 years ago, the program for control of bovine tuberculosis was initiated and it has been very successful in controlling the disease in cattle and in humans, too, because the disease often came from the reservoir within domestic animals.

In the past few years, a great deal of progress has been made in the control of brucellosis in cattle. This is called undulant fever in humans. In 1951, 8 per cent to 10 per cent of our cattle population was infected with brucellosis, with an annual loss, in terms of milk and calves aborted, of some $9 million. By 1956, as a result of the vaccination program, infection from brucellosis in the cattle population was reduced to 4.5 per cent. The test and slaughter program started in 1957 and the first testing was completed by 1966. The effect of the program can be seen in the reduction of the infection to .2 per cent of the total cattle population of 15 million. This is a dramatic success story.

As one who was engaged in the practice of veterinary medicine when the program was introduced, I must say I was a Doubting Thomas. I did not think a disease as infectious as brucellosis could be handled so effectively through a test and slaughter program, as tuberculosis had been in previous decades. That is not to say that we do not have infected herds in Canada today; obviously, with a .2 per cent rate, there are still some. It seems to me that the Minister of Agriculture (Mr. Whelan) and his advisers in the Health of Animals Branch will have to decide in the next year or so whether to go completely for the test and slaughter program or continue with vaccination.

I was very pleased to hear the hon. member for Grey-Simcoe (Mr. Mitges) support the idea of the complete elimination of the Calflood vaccination program. I think this is the direction we should move in, and that the continued vaccination, although it may be encouraging and useful to the individual cattle owner, is not as useful in the over-all picture of disease control in Canada. Continued vaccination only complicates the testing procedure and masks infection in animals. I hope in the next year or so the government will move to discontinue the vaccination program which some provinces still encourage. If we do eliminate vaccination, I think we will have to provide a more extensive compensation program, especially when a

complete herd is depopulated and the owner's income curtailed.

I believe that the people who administer the Animal Contagious Diseases Act are among the unsung heroes of the public service in Canada, Mr. Speaker, and should be congratulated. Thanks to them, we have one of the most healthy and active livestock exporting countries in the world. They make it possible for us to trade in livestock with 120 nations around the world. They are one of the most important factors of our livestock industry. I believe this bill will strengthen the powers of the government to carry out the contagious diseases aspect of the work of the department and the new area of protection of animals in transit, as well as the other aspects of public health.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I am anxious to participate in this debate on the Animal Contagious Diseases Act. The hon. member for Algoma (Mr. Foster) indicated that Canadians have little appreciation of the bill, and I think that is quite true. If we were confronted with an epidemic of undulant fever, tuberculosis or foot and mouth disease, as in 1952, the case would be different. The bill is important, however, and deserves the attention of this House. Therefore, I am pleased to add my comments.

I was interested in the minister's opening remarks when he reviewed the history of the bill. I am sure he would want me to add one or two points to what he said. The bill was introduced in 1869, as he indicated, but I think he would like to know that was the first agricultural bill introduced in this House, and it was introduced by the Conservative government under Sir John A. Macdonald.

Mr. Whelan: With the co-operation of the opposition.

Mr. Holmes: And we are interested in co-operating with the government on this bill, which we believe is excellent in principle although we have reservations about certain aspects of it. I want to deal in a general way with the bill and then come to some of the specifics, particularly the transportation section, which is new. The bill has been introduced as a vehicle to maintain the country free of serious animal diseases and to eradicate those that can be eradicated and bring under control those that cannot be eradicated.

The minister earlier indicated some amendments to the act. These are in regard to regulations which existed in the past: they are questioned as to their validity at the present time. I think we must realize this is an important feature of the bill before us. In addition, we have a new section dealing with transportation—clauses 31 to 34. I will deal with them in more detail in a few seconds. I am concerned about the issue of regulations. I have mentioned my concern in the past. In effect, the operative part of the bill cannot be analysed by the House, nor in committee. I saw the same situation earlier this week in connection with the environmental contaminants bill and the Proprietary or Patent Medicine Act.

● (1420)

The operative parts of this particular bill cannot be analysed in detail. I agree that orders in council are important and must be introduced from time to time. In cases where regulations are to be enacted—and I strongly suggest that the government will enact many regulations affecting the operative parts of the bill—I suggest that those regulations should be made known to members of the House so that those who are interested in and affected by the bill will be aware of the regulations when the bill is approved by the House. I suggest that a mechanism should be established to this end. This would remove some of the apprehensions of some hon. members, and some individuals who will be affected by this type of legislation. I suggest that the minister should seriously consider amending the bill in such a way as to enable people more readily to assess the impact these regulations will have on them in the future.

The hon. member for Grey-Simcoe (Mr. Mitges) spoke this morning about evidence taken before the Senate agriculture committee in connection with Bill S-2. In this regard, the presentations made by Mr. Charles Gracey of the Canadian Cattlemen's Association, and Mr. C. G. Munro, president of the Canadian Federation of Agriculture, to the Senate Standing Committee on Agriculture on April 24, 1974, are germane. Mr. Gracey stated in testimony:

> While we support the obvious intent of sections 31 and 32, we cannot state unconditional support for the various clauses, in ignorance of the regulations alluded to but not stated.

I think the presentations made before the Senate agricultural committee are relevant to the present debate and it will be useful to summarize and perhaps paraphrase a portion of the testimony relating particularly to sections 31 and 32. Generally, the regulations relevant to those proposed sections ought to embody two fundamental principles. First, the regulations ought to ensure the safe and humane transportation of livestock. Second, they should promote maximum efficiency and speed in livestock movement. As the minister knows, total time spent in transit has a most important bearing on the welfare of livestock, but this matter has not been defined in the act and is not defined in the bill.

I suggest that proposed new section 32 will need to be considered carefully in committee. The discussion will interest many who are following the progress of this bill. Proposed section 32(1), on page 14 of the bill, proposes regulations—

> —requiring, in such circumstances as may be prescribed, the examination of animals before being loaded on board any aircraft, railway car, vehicle or vessel for transport.

This section clearly refers to the preloading examination of animals. Where there is general agreement that animals should be loaded in good condition, excessive regulations may be impractical and have an adverse effect. At present, cattle originate from more than 150 points in western Canada and there is an obvious need to clearly define the regulations and the inspection procedures contemplated by the government.

Second, to a great extent there is a built-in safeguard in the routine transportation of cattle in that livestock producers buying feeder stock in the west are very conscious of needing to load animals in safe condition. Proposed section 32(b) proposes regulations—

—respecting the transportation of animals affected with or suffering from an infectious or contagious disease or incapacitated by reason of age, infirmity, illness, injury, fatigue or any other reason—

Again, it is possible to support in principle this subsection, but the language and implications are such that a more thorough examination of the regulations will be necessary in committee. Proposed section 32(c) proposes regulations—

—establishing the area to be allocated to each animal being transported in relation to the mode of conveyance—

Again, this is an extremely important section and the Canadian Cattlemen's Association have been advocates of "safe loading levels" for various sizes of cattle. This principle should be given careful consideration in the formulation of regulations. A point frequently repeated is the importance of air space, which may be as critical as floor space if decks are too low. If there is to be a standardization in terms of area per animal, it becomes necessary to have the breakdown into various sizes and weights of animals. We should pursue this in committee. Proposed section 32(d) proposes regulations—

—requiring animals to be segregated during transport according to class, age and sex—

This section refers to regulations with respect to segregating livestock as to class, age and sex. Again, it is necessary to ascertain if in fact the proposed regulations are practical and within the spirit of the legislation. Bulls should not travel loose with females, otherwise the major consideration should be size and weight. For example, while it is not common practice to move steers and heifers in the same car, provided their weights are uniform there is in fact no hazard to such movement and arbitrary regulations prohibiting such movement would be undesirable. Proposed section 32(e) says that the governor in council may make regulations—

—requiring any railway company or the operator or owner of any aircraft, vehicle or vessel, when engaged in the transportation of animals

(i) to disinfect and clean any aircraft, railway car, vehicle or vessel that such company, operator or owner uses for the transportation of animals, and

(ii) to maintain any facilities for the loading and unloading of animals, including such rest and feeding stations as are necessary—

We recognize the importance of this section and, indeed, I have had representations from sheep producers in my area regarding inadequate care in some yards. In this regard, there are sheep producers who maintain that sheep in transport will fare much better if they are shipped straight through rather than being unloaded within a specified time. There is an obvious necessity to define the specific regulations dealing with disinfecting and maintenance of facilities. New subsection 32(f) calls for regulations—

—(f) specifying the standards of care of animals, including the provision of feed and water during transit, that are to be observed by any railway company or the operator or owner of any aircraft, railway car, vehicle or vessel when the company, operator or owner is engaged in the transportation of animals;

This is another extremely important section dealing with standards of care of animals during transit. Such regulations should be understood by all parties, and because of the obvious importance to shippers and receivers their practical experience should be considered in the formulation of regulations. New section 32(g) calls for regulations—

[Mr. Holmes.]

—establishing the maximum number of hours that animals may be transported in any particular means of conveyance without being unloaded for rest, feed and water—

This is an extremely important section which requires careful examination of the proposed regulations. As the minister knows, section 404 of the Criminal Code establishes 36 hours as the maximum time in transit that animals may be loaded in cars without being offloaded for rest, feed and water. The first point that must be made is that the inclusion of the present section in this bill and its removal from the Criminal Code is indeed a positive step. The second point is the difficulties and dangers in establishing the maximum number of hours in transit. Surely the major consideration should be the safety and humane treatment of livestock. I suggest very strongly that if the only consideration is "X" number of hours, invariably the emphasis will shift from one of humane transportation to one of enforcement of a regulation. Of course, this may well not be in the interests of the stock.

● (1430)

As the minister undoubtedly knows, there are variances between cattle, hogs and sheep in their ability to withstand prolonged periods in transit. I also believe that from the investigators' studies to date this particular issue has not been resolved. We are, therefore, anxious to review this aspect of the regulations regarding time in transit, acknowledging the importance of safety and humane treatment but questioning the benefits of the stated number of hours.

The final point of this section is the delayed time in transit due to the poor co-ordination of transportation systems. I have no intention of getting into the whole area of the transportation system, but I think it is important to note that such a cargo as stock should be considered as a priority project. In this regard, it should receive very special attention by the transportation system. I suggest that this very simple measure would add substantially to the well-being of livestock that are in transit. Subclause (h) reads:

(h) establishing, where animals are unloaded for rest, feed and water, the minimum number of hours that may be allowed the animals for those purposes—

Again, the emphasis is related to the minimum number of hours for rest, feed and water. Therefore, it will again be necessary to assess the specifics of the regulations. Earlier, I mentioned receiving a representation regarding inadequate care of sheep during offloading. I was surprised and somewhat shocked to learn at that time that herds of sheep arriving in my constituency from the west had been abused on offloading, with obvious injuries and, indeed, with death of the stock at times. Although it is not clear in the language of the bill that it is covered, surely the intent of the legislation would call attention to this particular problem in some demonstrable fashion. Subclause (i) reads as follows:

(i) establishing the manner in which stalls, containers, pens and fetterings in aircraft, railways cars, vehicles or vessels used in the transportation of animals shall be constructed, equipped and maintained.

Again, there is no objection to regulations for construction standards, providing the intent is for the safe and humane treatment of livestock. However, there is a risk in government circles to promote uniformity for the sake of uniformity. Of course, we will be very anxious to assess the proposed standards and determine if in fact they are in keeping with the intent of the legislation.

I have dealt in some detail with clause 32 because it is a new and extremely important feature of this bill. I have also attempted to demonstrate the difficulties experienced on this side by interested parties who will be involved in assessing such a bill without a draft form of the regulations or some indication from the government or the department as to what the regulations may include. I certainly recommend to the Standing Committee on Agriculture that there be a clause calling for the establishment of an advisory committee of appropriate groups to assist in the formation of regulations which will apply to the transportation sector.

Before turning from this new and important section on transportation, it should be noted and emphasized that the legislation allows for transportation of all animals. We will obviously be interested in the minister's proposals for the transportation of animals for research purposes, the regulations which will be required for the containing and handling of a large variety of animals, the recommendations regarding the safety and well-being of the animals, as well as the protection of aircraft from unnecessary and dangerous contamination from natural wastes and infectious and contagious micro-organisms. We will also be interested in knowing the priorities which will be established for the transportation of animals, the types of facilities at airports envisaged under this legislation, and the training of personnel associated with the care of animals in transit. I would simply say, with respect to this entire section on transportation, that there are numerous areas we will pursue in the standing committee. I am sure we will have the co-operation of the minister in pursuing these particular avenues.

I want to make a few comments on those parts of the bill that extend to surveillance and increase the mechanisms to keep reportable and non-reportable contagious or infectious diseases in check. Again, I wish to indicate my general support for these measures, but as I interpret the legislation there appear to be some inconsistencies in the penalties. I seriously question whether the desired results will be obtained with some of the restrictive features. I refer to page 8 of the bill, clause 6, which reads as follows:

"9. (1) Every owner of animals and every breeder of or dealer in animals, and everyone bringing animals into Canada shall, on perceiving the appearance of any reportable disease among the animals owned by him or under his special care, give immediate notice to the nearest veterinary inspector of the Department of Agriculture of the facts discovered by him as aforesaid.

This clause implies that the average producer should have the ability to recognize on sight all of the reportable diseases defined in the act or subsequently defined by the minister. With all due respect, I seriously doubt whether the average breeder could pronounce the 26 diseases listed in the act, let alone diagnose their presence. I suggest that the present legislation is unrealistic and the associated penalty excessively severe.

Clause 6 continues:

(2) Every veterinarian in Canada shall, immediately on ascertaining that an animal has a reportable disease, give notice of the existence of the disease to the nearest veterinary inspector.

In my view, this should be more closely interrelated with the previous subclause. During the examination of miscellaneous estimates on November 28 of last year, I asked what I considered to be a very key question as it relates to the total problem of control of contagious and infectious disease. I inquired as to the communication that exists between the veterinary inspectors and the department and the practising veterinarians. The answer clearly indicated there is no line of authority in transmitting this information to the professionals in the field, the veterinarians. At that time Dr. Wells had this to say:

We are, however, developing now and we hope to have very shortly the first issue of a publication which will go forward from the health of animals branch to all practising veterinarians in the country and this will list areas in which these diseases are found.

● (1440)

It is not my intention at this time to list instances in which reportable diseases have been present in a district and where the practising veterinarians have had no knowledge of its existence, but I wish to emphasize in the strongest terms possible that this practice is wrong and is not in the best interests of controlling infectious diseases.

I have no difficulty in accepting the principle that this is a confidential matter between the owner and the Department of Agriculture. But surely there is an overriding principle here, and that overriding principle must be the dissemination of information rapidly and accurately to the professionals responsible for the care of animals. Medical ethnics dictate that the present practice should stop and common sense makes it clear that all practising veterinarians must be involved in the control of infectious and contagious diseases. I want to tell the minister that I will actively pursue this matter when the bill is before the standing committee.

I want, now, to turn to the area of compensation which has been alluded to by other hon. members in this debate. The principle that I believe should be embodied in the legislation should be that of replacement value. Again, I suggest that the minister give consideration to establishing a mechanism whereby there is participation by those affected in developing and updating regulations to conform with changes in the industry. The section of the bill dealing with compensation is a very important one. It is an area I have discussed on many occasions with my colleague, the hon. member for Elgin (Mr. Wise), and he certainly shares the view that the market value approach is an improvement. However, I know he feels it would not be satisfactory or as equitable as compensation payments made on the basis of replacement value. If this latter approach could be adopted, particularly for dairy cattle, by using a reasonable base price figure plus an index formula dealing with breed, age, type classification and production records or potential, I know the hon. member feels there might be a much more accurate and acceptable form of compensation payment.

I know the hon. member for Elgin has met with dairy producers in Ontario and that he has in his possession proposals based on this particular theory prepared by Mr.

Arnold Stansell in co-operation with the joint dairy breeds organization. The Minister of Agriculture and many members will recognize Mr. Stansell as one of North America's most successful breeders of Ayrshire cattle. It is my intention and the intention of the hon. member for Elgin, when the bill is before the committee, to request that he have the opportunity of appearing as a witness to explain this proposal in detail to all members of the committee.

On November 27, 1974, the minister officiated at the opening of the Animal Diseases Research Institute and graphically described the 1952 experience with foot and mouth disease. As I indicated at the outset, for this type of debate perhaps we need this kind of experience to generate interest in the importance of this legislation. The minister described at the time the cost in terms of cattle lost, taxpayers' money spent to eradicate the disease, loss of exports of livestock and livestock products for a full year, resulting in a bill totalling approximately $900 million. That experience is a constant reminder of the necessity to have legislation that will keep this country free of serious animal disease and to eradicate those diseases that remain with us.

In light of this, during the examination of the Supplementary Estimates B, 1974-75, on November 28 of last year I made reference to the problem of Johne's disease which, to my knowledge, has affected at least four herds in my area. As part of the testimony, Dr. Wells, the veterinary director-general, Health of Animals Branch of the department, stated:

> Mr. Chairman, in accordance with the provisions of the Animal Contagious Diseases Act, all infectious and contagious diseases are reportable. However, the specific list of diseases that are in the act and listed as main diseases are these for which we have national programs such as brucellosis, tuberculosis, hog cholera, foot and mouth disease, where action is taken to eradicate the disease from the country. In the case of Johne's disease, it is an infectious and contagious disease, and therefore reportable, and if the owner wishes to have the infection cleared up, we are prepared to provide the program to that owner.
>
> If and when the time comes that a better system of eradicating the disease comes about, and when we can clear some of the problems facing the department with respect to disease, it may be possible to move into a national program with respect to Johne's.

I want to emphasize that it is my impression that in my area this disease is highly contagious, consisting of what appears in many instances to be a virulent organism. Responses to my questions at that time indicated that the method of treatment is herd eradication, which is similar to the procedure adopted for brucellosis and tuberculosis. It seems to me that if the minister is desirous of retaining an animal health status that is the best in the world in his view, then Johne's disease should be added to the list of diseases outlined in the bill. Again I ask the minister to give serious consideration to this particular program and to see that it is pursued during the study of the bill by the Standing Committee on Agriculture.

During the same meeting, the hon. member for Moose Jaw (Mr. Neil) and I raised the very serious and important question concerning income tax on moneys received for herds destroyed as a result of brucellosis, tuberculosis or Johne's disease. As the minister knows, if these herds are not replaced in the same calendar year, then the money received from the government by way of compensation is taxed. I am well aware that it is the government's intention to encourage the farmer to reinvest these sums in establishing his herd, but in many instances this is impossible to accomplish in the calendar year. For example, the lapse of time between the slaughter of the herd and the procedures that must be followed to ensure a healthy environment, free of disease, for housing the new herd may well extend beyond the calendar year, and in many instances the replacement animal that the farmer wants, particularly in the case of dairy herds, cannot be procured during the calendar year. I know the minister is concerned about this problem, and on November 28 he indicated that he was negotiating this point with the departments of national revenue and finance. Since this is an important component of the compensation problem, I urge the minister and the government to correct this present inequity before the bill receives third reading. I know we will be anxious to pursue this point at the committee level.

In conclusion, let me reiterate that we support the importance of this piece of legislation, and I commend the minister and the department of their interest in maintaining healthy animals in Canada. But again I re-emphasize that we believe the present bill can be substantially improved and I have attempted to define some areas of concern regarding various components. We will also be making some constructive proposals during committee stage. Finally, may I say it is our intention to work in a positive manner and as rapidly as possible to implement the improvements I have suggested.

● (1450)

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, before I make a few comments about this particular bill I should like to refer to something the minister said just before lunch when he introduced the measure. He alluded to what I am sure was the foot and mouth disease outbreak in Regina and the tremendous loss that took place back in 1952. Let me say to the minister and his staff who are here in the House of Commons at this time that his words took me back very vividly to that time. The minister spoke about the tremendous cost to this country. He did not put a dollar value on it, but somebody behind me mentioned $1 billion. It could well have been that amount. Even if it cost that much to clean up the outbreak, I would suggest that is peanuts—and I mean it—compared to the loss in inventory value to the cattle industry in Canada at that time.

In October, 1951, fed cattle and feeder cattle were selling for $35 and above—at that time the highest price by far in our history. I can remember selling feeder yearlings going at 800 pounds for $36.20 a hundredweight. That foot and mouth outbreak occurred when an immigrant whose first name was Willie came over to that Regina farm and threw out some dried-up sausage. Within a few days the value of the cattle dropped by half. Fed cattle dropped to $18 a hundred and feeder cattle to about the same. It was a great loss. I only remind the minister about this to show the tremendous importance of the Health of Animals Branch to the Canadian economy as a whole. His remarks took me back a few years and prompted these opening comments.

By and large, this is a good bill in that it updates many obsolete portions of the act. It incorporates many new developments, procedures and techniques that are now part of our total Canadian livestock industry. Perhaps the most critical thing I could say about the bill at this time is that it is two years overdue. I suggest that the minister

must, surely, take the blame for this. The tragedy is that agriculture apparently has such a low priority on the legislative ladder and the order paper of the House of Commons.

Mr. Stanfield: Controls are the thing now.

Mr. Hargrave: I want to make some opening comments on the transportation aspects covered by this bill. First of all, I should like to again commend the government and the minister for transferring the authority for the transportation of livestock from section 404 of the Criminal Code to the Animal Contagious Diseases Act, under the Department of Agriculture. This is an excellent move and is long overdue.

Most of my remarks will relate to the movement of cattle, especially from western Canada, to so-called central and, occasionally, far eastern Canada. I want to refer, first of all, to a very important brief that was presented to the government back in 1973, entitled "Statement on Livestock Transportation". Even though it was presented on January 17, 1973, I think portions of it are very applicable today. Therefore, I should like to quote from it briefly.

The brief was presented to Hon. Otto Lang, then minister of justice, and the Minister of Agriculture (Mr. Whelan). It was put together by a joint committee of the Canadian Federation of Humane Societies, the Canadian Cattlemen's Association and the Ontario Beef Improvement Association, with the assistance and co-operation of Canadian National Railways and Canadian Pacific Railway. I shall read just a short part of it as follows:

> Our purpose is to seek the creation of the type of federal legislation which will permit development of a more efficient and humane system for transporting livestock and specifically feeder cattle. It is our view that the Criminal Code is not the most appropriate legislative vehicle for legislation of this kind. What is required, we submit, is legislation that will control the conditions under which livestock are transported, while at the same time providing sufficient safeguards to satisfy public concern.

Later in the statement we read the following:

> Our interest, therefore, is to speed the cattle to final destination as quickly as is reasonably possible and to do so requires some progressive amendment to the Criminal Code.

The statement continues:

> We were well pleased with the experience in 1972, and the non-stop run from Winnipeg to Toronto and points beyond brought with it many benefits.
>
> The total elapsed time in transit was reduced in many cases.
>
> Because cattle were kept moving, the rail and stockyards system was less burdened with backlogs and delays.
>
> Rail cars were tied up with one load for a shorter period of time and availability of cars was a less crucial problem.

I think that last point represents the most practical advantage of the faster runs which started back in the fall of 1972. The statement ends with four recommendations which I think are still most important and I propose to read them:

> We respectfully wish to close our statement with the following recommendations.
>
> 1. That the Minister of Agriculture be requested to establish a special committee to develop guidelines for the humane, efficient transportation of livestock.
>
> 2. That the committee be formulated to include representatives designated by the railways, the producer organizations (i.e. Canadian Cattlemen's Association and the Ontario Beef Improvement Association) and the Canadian Federation of Humane Societies.
>
> 3. That new legislation based on these guidelines, governing the transportation of livestock, and to be administered by the Canada Department of Agriculture, be developed and introduced as soon as is practically possible.
>
> 4. That the procedures for shipping cattle employed in 1972 be repeated in 1973.

Although these recommendations are outdated, they refer to prior runs of non-stop shipments of livestock from Winnipeg through to Toronto. The report is dated January 17, 1973, and now, almost three years later, we are just getting around to making these recommendations part of the act.

I think there are special comments on rail and truck movement of calves to Ontario which need to be made at this time. I might add that these comments are based on my personal experience of well over 25 years. During that period I have been associated with cattle sales at Walsh, in southeastern Alberta. On average during those 25 years we loaded and shipped 25 to 50 carloads—sometimes more—of calves and feeder yearlings per sale to Ontario points. The hon. member for Lethbridge (Mr. Hurlburt) was the auctioneer at most of those sales, so he knows very well what I am referring to now.

The greatest concern of Ontario buyers always has been the risk of death, and sickness losses. These are sometimes very expensive. At times these deaths number from 3 to more than 20 animals in a car. This represents a considerable loss. If the animals are not dying, very often the sickenss is considerable and it takes weeks and even months to get over such a loss. Our experience over the years as producers and shippers of feeder calves and yearlings would suggest the following: first, we should load only healthy animals, subject to veterinarians' visual inspection. We should watch for signs of fever, pneumonia and scours, to name only a few.

● (1500)

Calves should not be shipped the day they are weaned if at all possible. As a matter of fact most of them are shipped the day after they are weaned. Second, calves should be offered water before loading on to the stock cars. I think that is most important.

Third, and of the utmost importance, is the fact that the total time in transit, which includes any rest stops, should be kept to a minimum. I think what I should like to stress more than anything else about the shipment of calves from the prairies to Ontario is that the total time in transit should be kept to a minimum.

Fourth, one feeding and water stop only in Winnipeg should be necessary. This implies that a non-stop route from Winnipeg to Ontario designation points should be a reality.

Fifth, a further implication is that the old 36-hour release regulations be changed to at least 48 hours. I hope this specific item will be discussed with the cattle producers in western Canada, with the feeders and buyers from Ontario, as well as with the railway people when that decision is formulated in the regulations. It is well known that a reduction in the total time in transit means that sickness loss can be dramatically reduced. The Winnipeg-

Toronto non-stop run is now reasonably well accepted, but this amendment to section 31 and section 32 is needed for the final authority.

Still on the matter of transportation I wish to make a plea for a speed-up of railway modifications at Midhurst, Ontario, north of Toronto, to facilitate the transfer from railway to trucks and hence to the final destination. This, I am told, will bring about further savings in time and, of course, increased efficiency. This Midhurst decision made by the CPR sometime ago for some reason or other has seemed to have bogged down, and it was only recently that work started again. It is doubtful if it will be completed this fall so as to be availabe for the heavy run of feeder cattle which is now well under way. That heavy run of cattle traditionally amounts to something like 300,000 head every fall in modern times. Some years ago it was much higher. I suggest that the railways have a definite responsibility here in having vastly increased the livestock freight rates.

I think it is appropriate to point out here that another rate increase has now been indicated in livestock rates to be effective November 14. Since January 1 of this year, since the freeze was lifted, the cumulative increases in respect of livestock rates have reached 64.4 per cent for single-deck livestock cars and 86.9 per cent for double-deck livestock cars. This is what the increases will be when this last increase becomes effective on November 14. I think there is an obvious aside I should make. Surely the government's new restraint program should be involved in this.

I wish now to refer to an excellent editorial in the *Cattlemen*. This is the October issue. The editorial is headed "Railways Should Try Harder". It states:

> The railways have a poor reputation for moving feeder cattle. That message came through loud and clear when we researched the West-End trucking-story for this issue.
>
> A sample of the comments: 'The railways just don't care about the cattle business'; 'You can't talk to anybody there; they all pass the buck'; 'The railways could do a much better job.'
>
> Cattle shippers complained about shortage of equipment and wrong allocation of cars. That has a familiar ring to observers of the grain shipping system. But behind these impressions are some examples of real hardship. Extra time in delivering cattle costs producers money. Although some changes have been made recently in Ontario, more must be made to reduce time from ranch to feedlot.
>
> Cattle cannot be treated like bulk cargo. The railways know this. It's just amazing that both CN and CP Rail have done so little to adjust their cattle shipping systems to the demands of feeder cattle transport.
>
> Rates cannot be an excuse for this situation. Rates on double deck 40′ livestock cars from Winnipeg to Toronto have increased 49.4 per cent since last December. Rates on single deck cars moved up 43 per cent over the same period.

These figures include the extra rate increase that is coming.

> Truckers have now had a taste of the business at these new rates. It's time producers received the benefits of real competition in this area.

As a further aside I might add in respect of that editorial that it seems obvious that the railways are making changes in their livestock rates without the danger of a ceiling being imposed on them, such as is the case with statutory grain rates. The result is rather obvious.

I wish to say a little more about the newer aspects of livestock transportation which is now becoming more important, such as the trucking of cattle over long distances, for instance, from the prairies and even from British Columbia to Ontario. There is a definite increase in this movement. Right now approximately 2,000 head a week are being trucked from the west to points in Ontario. This is the greatest volume ever handled in this way. The delivery time of from 50 to 55 hours from Alberta to Ontario is impressive indeed. That represents about a day and one-half to two days faster than shipment by rail. This again promotes the health of calves and reduced losses although the rate is higher. The rate is approximately $1 higher per loaded mile but there are advantages, especially in time saved, which more than compensate for this.

I should like to commend the truckers for their enterprise in this regard and hope that they will meet their 10 per cent objective in respect of the total cross-country haul. Before leaving the subject of transportation I should like to make a comment about what is an annual situation almost every fall. I refer to the shortages of livestock cars for shipment from west to east. This occurs every fall. I feel this could be helped by two factors. One is the shorter turn around made possible by the non-stop run by rail from Winnipeg to Toronto. The other, of course, is the competition by trucks and the faster turn around also made by the trucking industry.

Now I believe it is appropriate to make some practical comments, as a practising cattleman, about the brucellosis controversy. We have heard much about this over the last year. I should say that these are my comments as a rancher from western Canada. I will go back a few years to the time when the program started.

The vaccination program was introduced in 1950 when we had an infection rate of 8½ per cent. By 1957 through the use of this program the rate dropped to 4½ per cent. Finally by 1966 after the completion of the first general test and slaughter program the rate decreased to .02 per cent. This was quite an accomplishment.

● (1510)

Then the period 1968-1969 was the start of what has been called the de-emphasis of the vaccination program. In this connection I want to recall again one of the factors relating to that vaccination. We were finding out, when we were shipping out vaccinated calves, that those which were vaccinated with strain 19 used in calfhood vaccination had a tendency to be stressed far more than other calves which were not vaccinated. While we were anxious to follow the program that was laid down in co-operation with provincial and federal programs, we developed a feeling against vaccinating calves just before they were loaded into stock cars for eastern Canada, and we were relieved when this de-emphasis program came into being.

I am sure that the use of strain 19 before the calves were loaded into stock cars has contributed to increased losses and strain factors that resulted in sickness. We are now moving through the so called withdrawal symptoms of the whole brucellosis program as we shift to a final clean up. My understanding is that it is the government's intention to try to discontinue calfhood vaccination by the end of 1976 when it is assumed that the vaccine will be outlawed permanently.

It is unfortunate there has been some split in the veterinary profession over this issue. There seems to have been a division between some of the private practitioners and

some Health of Animals veterinarians. In many instances private veterinarians have supported the vaccination program in this withdrawal period and they are hoping that it will continue. One can only feel that perhaps sometimes their feelings in this regard are dictated by rather short term considerations. Also, what I think are unfair comparisons have been made with the brucellosis situation in the United States, where it is my understanding that the situation is considerably worse than here in Canada.

My own personal view is that the Health of Animals policy of test and slaughter is the right one and the only one. We have to live with that policy. We can never completely eradicate the disease by vaccination, and surely our objective must be complete eradication. I want to say that I fully support the consistent and long range policy of Health of Animals on this matter.

Now I should like to make a few comments about another subject that has made the news recently. I am referring to the disease blue tongue. The minister recently made an announcement calling for a double test of all cattle imported into Canada from the United States for the disease blue tongue. I know from personal representation that this has caused concern with some U.S. exporters of breeding stock to Canada. I know of some from the state of Montana who have been exporting excellent breeding stock to Canada for many years and who feel that it will almost put an end to that type of specialized breeding program. It will also affect the imports of U.S. feeder cattle coming to Canada, but on balance this is a very small quantity. Because of other tests required and the nuisance value of these tests, in total there is very little likelihood that the volume of feeder cattle coming into Canada will be significant.

I am assured by department officials that there is no blue tongue in Canada in either sheep or cattle, and following on newspaper reports of reactors to blue tongue in southern Saskatchewan I must say I was relieved to be informed that all of those that were found to be reactors were imported cattle from the U.S. and were detected and slaughtered. So again I say it is reassuring to note that there are no infected herds in Canada.

I am told that the decision to call for a double test was arrived at after appropriate consultations with animal health officials from Washington. Of course this is the way it should be. It was considered necessary to protect our own status and our trade avenues, not only for the protection of our own industry in Canada but to assure sheep producers in Australia and New Zealand that our trade avenues with them would be protected.

I want to make a brief comment about warble control. The warble control program in western Canada is well advanced thanks to the excellent co-operation among the provinces, the producers, and the federal government. There has been real progress in western Canada although I am sorry I cannot report about eastern Canada, but I am sure there is equal progress there. This was made possible because of the new systemic insecticides. I mention this only to call for continued support of this policy, which mostly involves the provinces, and I hope that the environmentalists here will not get any ideas against the use of this excellent insecticide.

I want to switch to another topic now which caused a great deal of concern in the House and in all of Canada early this spring. I am referring to the dead meat scandal which took place in Quebec and even overflowed into Ontario. I hope it is not a dead issue, and no pun is intended. I want to repeat what I said at the time of the scandal when it made the headlines day after day.

In those provinces that have provincial and federal meat inspection under our Health of Animals Branch—and this includes most of our provinces—I feel very strongly that it should be the responsibility of the senior government, that is, the federal government, to ensure that all meat sold for human consumption is adequately inspected by some level of government. I am saying that the federal government should co-ordinate this important function, I am not suggesting that it should do it all. Surely the ultimate authority should be that of Canada's Department of Agriculture to ensure the program is properly co-ordinated. In making this comment I hope that the regulations are not so severe as to limit or prohibit the operation of the small town or rural slaughter houses. I say this since their most severe critics are their own neighbours who have to be their customers, and such outlets would not dare sell bad meat.

In closing I want to commend the federal government for its support of our three veterinary colleges and their recent special financing. I want to draw attention in particular to the excellent work of the western veterinary college, the Saskatoon college, and especially their work on calf scours and respiratory diseases. I think they should be commended for this. I know they have had additional financing from the federal government and from the cattlemen themselves who have put up a generous amount of research money for that college. In the animal research departments of these institutions and other federal institutions I have been told there is some concern about the proper authority to deal with the increasing use for animals for public research. Ultimately, of course, it is for the good of the general public. I am not sure whether or not this bill covers this item, and if it does not perhaps it could be covered because this is a most vital part of any research.

● (1520)

The amendment of the agreement with France for a second maximum security staging on the Island of Miquelon is noted with considerable interest. It suggests three things. First, it suggests that exotic import interest is continuing and will likely continue, in the opinion of the government, in spite of the currently depressed national commercial cattle industry. Second, it suggests that Canada must have made a good deal with the government of France to get this service. This is not surprising in view of the value of trade that will come through that security station. Third, it suggests that there are good long range indications of continued and even improved export relations with the United States cattle interests in exotics, since it seems to me that a good many will come through our station and then go to the United States.

In closing, Madam Speaker, I want to say that I fully support the broad concept of the bill. I commend the minister and the Health of Animals branch for their courtesy in holding advance consultation with representatives of Canada's cattle industry, humane societies, and the railways for the background needed to bring this bill to its

present point. I sincerely hope this will continue in the development and promulgation of the regulations that will be so important in its implementation.

In 1952 I had the privilege of meeting the present Director General of Veterinary Services when he was in charge of the outbreak of foot and mouth disease. It has been my good fortune to maintain an excellent association with him over the years, and I hope it may continue. I look forward to having the bill in committee for examination in detail.

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

Some hon. Members: Question.

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

* * *

[*Translation*]

AGRICULTURAL PRODUCTS COOPERATIVE MARKETING ACT

AMENDMENT TO PERMIT FIXING OF INITIAL PRICE FOR PRODUCTS

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-21, to amend the Agricultural Products Co-operative Marketing Act, be read the second time and referred to the Standing Committee on Agriculture.

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

Some hon. Members: Agreed.

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

[*English*]

Mr. Whelan: I rise on a point of order, Madam Speaker. Did I hear correctly? I wanted to make a short presentation to the House, but you say Bill C-21 has gone to the committee?

The Acting Speaker (Mrs. Morin): Bill C-21 has been referred to committee.

Mr. Whelan: May I ask a question on the procedure we are supposed to follow. I think it is most important that we have an opportunity—maybe I was not listening closely enough, but I had a presentation to make on the bill and I think that is the right of a minister. It is important. I waited over a year for an opportunity to make a presentation in the House. I do not think that is right.

The Acting Speaker (Mrs. Morin): In future I will pause a few minutes to let the hon. minister speak on the bill.

Mr. Whelan: I wish Your Honour had been in the chair sooner—maybe a year ago—then the bill would be law by now.

[Mr. Hargrave.]

FEEDS ACT

AMENDMENTS TO BROADEN DEFINITIONS AND CONTROL OVER MANUFACTURE, SALE OR IMPORTATION

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill S-10, to amend the Feed Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Madam Speaker, I should like to introduce second reading of Bill S-10, an act to amend the Feeds Act, as passed by the Senate on March 6, 1975, and as read for the first time in the House of Commons on March 10, 1975. Since the bill was not a money bill and since there was a backlog of legislation in the House of Commons, Bill S-10 was introduced directly into the Senate and received intensive study before being passed.

The feed industry in Canada does approximately $1½ billion worth of business annually, and is the sixteenth largest industry in Canada. It employs approximately 10,000 persons and produces about nine million tons of feed each year for use by livestock producers in this country.

The present Feeds Act provides for the regulation of livestock feeds as to composition, packaging, and labelling. The provisions of the act include requirements for registration of feeds prior to sale and other measures designed to prevent the marketing of feeds that are not known to be consistent with current nutritional and health standards for livestock. This form of regulation also prevents feeds from causing adulteration of meat products used for human consumption.

The last major revision of the act was made in 1960. As most hon. members realize, there have been many advances in animal nutrition since that time, as well as in manufacturing, distribution, and testing of feeds. There are many new products now used in feeds that are not included under the present definition of feed and hence are not subject to regulation. Bill S-10 extends the definition of feed to all those products and ingredients used or able to be used, in livestock feeding. However, the new definition of feed is not intended to bring veterinary drugs subject to the Food and Drugs Act, or products subject to the Pest Control Products Act, under its control.

The definition of livestock has also been expanded to include fish, because fish are now being raised by commercial farmers for human consumption.

There is increasing evidence that the public interest or that of the feed users cannot be adequately protected with respect to feed quality without regulation in some situations at the farmer or mixer level. Just as with meat quality, effective regulation must involve plant inspection and regulations applying to the manufacturing process itself. This is necessary to prevent harmful adulteration of meats, for example, which may not be easily detected in time in the finished product.

Feeds can be carriers of disease-causing organisms, such as salmonella, and act as a reservoir for reinfection of animals. Eradication of such infections cannot be accomplished by checking feed for sale only. It is important that manufacturing plants be inspected and clean-ups be done. The changes proposed in Bill S-10 will give authority to

inspect manufacturing plants and to require certain levels of sanitation.

In passing this bill, the Senate made an amendment regarding penalty clauses. Perhaps, hon. members will recall that the former minister of justice, the Hon. Otto E. Lang, reported to the House of Commons on March 27, 1975, that in his opinion this amendment was inconsistent with the purposes and provisions of the Canadian Bill of Rights. I am happy that this opinion was expressed because it is important that all legislation be consistent with the provisions of the Bill of Rights. I would ask that this amendment be dealt with by the Agricultural Committee of the House of Commons when this bill comes before it.

I note that there was a good deal of discussion about pet foods in the Senate debates on the bill. I would simply say that pet foods have not been named as such in this bill. It will be noted that feeds for any species of livestock have not been named either. The definition of livestock provides the opportunity for pet foods to be brought under the act.

I may say, in conclusion, that the proposed changes have been supported by the various sectors of the feed industry affected by this act. My department held extensive discussions with trade, universities, colleges, and producer groups during the drafting of this bill, and I can report that those sectors directly affected are in agreement with the bill as originally submitted to the Senate.

● (1530)

Mr. Doug Neil (Moose Jaw): Madam Speaker, my comments on the bill will be brief. The bill is short, and basically we support its contents. I understand that the Canadian Feed Manufacturers Association which represents some 400 feed manufacturers transacting business to the approximate value of $1.5 million, supports and welcomes this bill. Basically this amending bill is designed to protect livestock producers and consequently consumers of livestock. Technological changes of the past ten years have made it necessary to introduce these amendments, to cover some of the chemical substances and exotic matters fed to livestock.

I note that the definition of livestock has been widened to include fish, rabbits, and mink, and such other creatures as may be designated by order in council or regulation. One wonders why pets such as cats and dogs were not included in the regulations. Their inclusion was suggested when the matter was debated in the Senate. I understand that the Department of Consumer and Corporate Affairs is reluctant to see pets included in the definition, as it is felt that it would take considerable manpower and staff to supervise the pet food industry. I ask the minister to consider amending the bill in order to include pet foods under the regulations. It is important to ensure the high quality of pet foods fed to pets in this country. in order to avoid health hazards to our population.

I note, from reading the debates of the other place, that the Senate spent some time considering the penalty provisions. I will not comment on these at this time, but we reserve our right to consider them in committee. I do not anticipate that this bill will take too much time in committee.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, this bill, which is to update the provisions of the Feeds Act, is a necessary one and we gladly give it our support at this stage. I am interested of course, in the reference to the Senate's insertion of certain penalty clauses. There may be some question about those provisions in the light of the Canadian Bill of Rights. I appreciate the point the minister made. I suggest the standing committee to which the bill is to be referred should look at these provisions. It seems to me that the point may come at which we may need to do something more than just look if any provisions of this bill run counter to the Canadian Bill of Rights. It seems to me that there ought to be a firm ruling on that point.

Mr. Whelan: That was put in by the Senate.

Mr. Knowles (Winnipeg North Centre): I was being polite and not making any reference to the Senate as such. Since this has been done, I suggest that we may need to call on the Minister of Justice (Mr. Basford) to give his opinion on the bill or perhaps on the Chair to give a ruling.

Mr. Paproski: Why are you supporting it, then?

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

Some hon. Members: Agreed.

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

* * *

ENVIRONMENTAL CONTAMINANTS ACT

MEASURE TO PROTECT HUMAN HEALTH AND THE ENVIRONMENT FROM CONTAMINANTS

The House resumed from Friday, October 24, consideration of Bill C-25, to protect human health and the environment from substances that contaminate the environment, as reported (with amendments) from the Standing Committee on Fisheries and Forestry.

Mr. Clark: Madam Speaker, I rise on a point of order. There have been discussions concerning the minister, her representatives, and myself, and I understand that the parliamentary secretary is to move an amendment to motion No. 3 appearing in my name. I ask for the unanimous consent of the House in order that we may proceed to the consideration of the motion in my name, and to the withdrawal of my motion, if that is necessary.

Mr. Baker (Gander-Twillingate): Madam Speaker, we propose to amend the hon. gentleman's amendment by striking out all the words following the word "out" and substituting therefor the following—

Mr. Knowles (Winnipeg North Centre): Madam Speaker, should you not first put the motion, then the amendment?

Mr. Baker (Gander-Twillingate): I merely intended to indicate that we wish to amend motion No. 3.

The Acting Speaker (Mrs. Morin): The hon. member for Rocky Mountain (Mr. Clark) moves:

That Bill C-25, an act to protect human health and the environment from substances that contaminate the environment, be amended in subclause 4(6) by striking out line 4 at page 7 and substituting the following therefor:

"or imported during that year; and, where he has reason to believe that such a compound or quantity constitutes a danger to human health or the environment, he shall notify the Minister of the nature of that danger.".

Mr. George Baker (Parliamentary Secretary to the Minister of the Environment): Madam Speaker, I move that motion No. 3 be amended by striking out all the words following the word "out" and substituting the following therefor:

"lines 3 and 4 at page 7 and substituting the following therefor:

"compound, of the quantity manufactured or imported during that year and of any information in his possession respecting any danger to human health or the environment posed by the compound".

Mr. Clark: Madam Speaker, I wish to speak briefly, to say that the concern that had arisen was that there was no requirement for a manufacturer who was introducing a new quantity or new compound, and who knew that there might be some danger to the environment, to report his knowledge of that danger to the department. The original motion in my name was designed to impose the requirement to report. The amending language introduced by the parliamentary secretary is more specific and effective than mine, and we are happy to accept the motion as amended.

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

Some hon. Members: Agreed.

Motion No. 3 (Mr. Clark), as amended, agreed to.

The Acting Speaker (Mrs. Morin): The House will now consider motion No. 4. Mr. Woolliams, for Mr. Brisco, moves:

That Bill C-25, an act to protect human health and the environment from substances that contaminate the environment, be amended in subclause 5(1) by striking out line 17 at page 7 and substituting the following therefor:

"reasonably practicable but no later than fifteen days after the said Ministers are so satisfied to consult with".

● (1540)

Mr. Joe Clark (Rocky Mountain): Madam Speaker, I might just speak briefly in the absence of my colleague who has to be in British Columbia on constituency business today.

This section of the bill relates to a requirement on the part of the government to consult with other provinces or other departments or agencies before taking action. We were concerned in committee and are concerned now that the language of the bill as it emerged from committee might raise the danger of delay. The minister might conceivably use the requirement to consult to avoid bringing the machinery of the bill into play.

What we are proposing here, and I understand that this proposal is acceptable to the government, is that a time limit be established during which time consultation must begin with the provinces or other departments or agencies. In other words, if this amendment is accepted, that kind of consultation must begin within 15 days. There is no danger of delay by that means.

[Mr. Baker (Gander-Twillingate).]

Motion No. 4 (Mr. Brisco) agreed to.

The Acting Speaker (Mrs. Morin): The House will now proceed to the consideration of motion No. 5.

Mr. Joe Clark (Rocky Mountain) moved:

That Bill C-25, an act to protect human health and the environment from substances that contaminate the environment, be amended in subclause 5(3) by striking out line 18 at page 8 and substituting the following therefor:

"(3) Any person, except his cause of objection is shown to be unreasonable, frivolous or vexatious"

He said: Madam Speaker, there is a principle involved here that has to do with who can participate in bringing into play the provisions set out regarding environmental contaminants in the Canadian environment. There is a general principle that it is going to be important to have as broad a participation as is possible in questions relating to possible contamination of the Canadian environment. The disagreement has to do with the legal interpretation of a word. The word that appears in the bill limits the right to participate to those persons who have an interest.

Our concern is that the word interest is subject to very narrow and specific legal definition, such as would mean only a legal interest, excluding two categories of people we believe should not be excluded. First, it would exclude that very large although perhaps undefinable portion of the Canadian public which can be called the environmental public, those Canadians worried about environmental questions. They are often very well-informed about the potential dangers to the environment that can arise from specific actions. Our concern is that this language would not allow a member or an organization in the group broadly called the environmental public to engage in proceedings under this bill unless they had a specific legal interest that was being affected. We believe that is too narrow.

In our view this also excludes the possible participation of communities or individuals who might be affected later by a case similar to the one that would now be under consideration by mechanisms established in this bill. The concern is simply that the language of the bill is susceptible to narrow definition in a way which would exclude the participation of people who should have a right to participate in matters concerning the Canadian environment.

There is a danger which we recognize. If the door is open to participation by anyone, there could be a number of frivolous persons wasting the time and money of the taxpayer, and wasting the time of the agencies established here. For that reason we have placed in the amendment the right to exclude the participation of anyone whose reason for wanting to participate can be described as frivolous, vexatious, or as unreasonable behaviour. That is the purpose of the amendment. It speaks not simply to the mechanism of this bill but to the much broader public question of who has a right to participate in proceedings relating to the preservation of the Canadian environment. We are concerned that the bill as it stands limits that right to participate to people with a narrow, legal interest. We want it broadened. We believe this amendment will

achieve that broadening without inviting a flood of frivolous participation.

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): Madam Speaker, we recognize the hon. member's point. It is a matter of opinion. We cannot accept the amendment.

There are two types of interested persons, those with a legal interest, and those whose interest is a concern, to be decided by the minister. Those persons covered under subclause 5(3) have a particular legal interest. Subclause 5(3) should be read with subclause 6(2) which provides that the board of review shall hear the person filing the notice of objection and any other interested or knowledgeable person. "Any concerned person" means that the minister will have to appoint a board at great public expense, even if it is clearly not justified. However, as the minister is more likely to be criticized for not appointing a board than for doing so, she will tend to appoint one on notice of receiving an objection, even if it appears frivolous.

Who is to say that a person's objection is unreasonable, frivolous or vexatious? This could lead to serious argument. To some degree it would restrict the rights of the public. Therefore our position is that we cannot accept the amendment.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it. I declare the motion negatived.

Some hon. Members: On division.

Motion No. 5 (Mr. Clark) negatived.

The Acting Speaker (Mrs. Morin): The House will now proceed to the consideration of motion No. 6.

Mr. Joe Clark (Rocky Mountain) (for Mr. Wenman) moved:

That Bill C-25, an Act to protect human health and the environment from substances that contaminate the environment, be amended in subclause 6(1) by striking out line 33 at page 8 and substituting the following therefor:

"persons representative of industrial and non-industrial interests and whose chairman shall not be a member of the Public Service of Canada; and shall refer the proposed order".

● (1550)

He said: Madam Speaker, I will try to be brief in pointing out the reasons behind the amendment introduced in the name of my colleague, who is unavoidably away on parliamentary business. Again the matter deals not simply with the particular practice in the bill but also with a principle of much broader application having to do with the representative nature of the board established under government legislation. What we are dealing with here is an environmental contaminants board of review having the powers set out in the bill. The purpose of the amendment is to ensure that this board is a representative board, that it will not be captive either to a particular point of view, whether industrial or anti-industrial, or to a bureaucracy that might be less sympathetic than it should be to some of the representations that will be made to the board.

We believe that the important principle of ensuring an adequate public hearing has two elements. First of all, all those individuals or groups who have something important to say should have the right to have it said. Secondly, the board should be given sufficient breadth and fairness that all reasonable points of view also receive a fair hearing. We think it is important to build this principle into the legislation.

We believe the best way to do that is to add the amendment in the name of my colleague, and this would have two effects. First, it would ensure that the board which deals with questions often of conflict between the industrial and non-industrial sectors of Canadian society reflects both sectors as a matter of statute. Secondly, we suggest that the chairman of the board be a person whose non-partisanship and independence are beyond question.

Since the Public Service of Canada, as an enforcing agency, is often regarded as something other than independent from time to time in circumstances of this kind, we think it important, in the interests of guaranteeing independence, that at all times the chairmen of boards of this kind come from outside the Public Service of Canada.

I would point out to the House that this is not a new procedure; it is a procedure accepted by the House by way of amendment moved by this party when dealing with the ocean dumping bill. Perhaps it has particular relevance to environmental questions where the government, because it plays a regulatory role, is not in a position to be regarded as as independent as it might be in other circumstances. It is an important practice to continue to bring into our law, a practice that is already in the law in the ocean dumping legislation. I hope it is one that the House will accept at this time.

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I can assure the hon. gentleman that in selecting the people who will be on whatever board is appointed, the very points the hon. gentleman has made will be taken into account. If they are not taken into account, it probably would not be a very representative board.

There are problems with some of the matters that could be brought before the board. It is possible that we would need experts to evaluate danger. The composition of the

committees must reflect the complexities and nature of specific substances. So, as I say, the members of the board would need some flexibility, and this is why we cannot accept the amendment proposed at this time.

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

Some hon. Members: Question.

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

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

Some hon. Members: On division.

The Acting Speaker (Mrs. Morin): I declare the motion negatived on division.

Motion No. 6 (Mr. Wenman) negatived.

The Acting Speaker (Mrs. Morin): Motions Nos. 7 and 8 will be grouped for debate, and division if required.

Mr. Doug Neil (Moose Jaw) for Mr. Brisco moved:

That Bill C-25, an act to protect human health and the environment from substances that contaminate the environment, be amended in subclause 7(1) by striking out line 4 at page 10 and substituting the following therefor:

"may, by order wherein is the reason therefor, published in the *Canada Gazette*, add to the schedule the sub-"

And:

That Bill C-25, an act to protect human health and the environment from substances that contaminate the environment, be amended in subclause 7(7) by striking out line 16 at page 11 and substituting the following therefor:

"no longer necessary, he may, by order wherein is the reason therefor, published in the *Canada Gazette*,"

Mr. Joe Clark (Rocky Mountain): Madam Speaker, again the principle involved here has to do with making the *Canada Gazette* as informative as possible. I hesitate to bring up a revolutionary principle like this late on a Friday afternoon, but this is what we are trying to do with this amendment.

I and my colleagues would have immensely preferred to have required the minister to publish much more broadly than just in the *Canada Gazette*, which no one but the eccentric reads, any changes to the schedule, whether additions or deletions, relative to substances that might be dangerous in the Canadian environment.

We lost that amendment in committee and there is no question that we will lose it again, but what I want to do now, and what I hope the House will seriously consider in the interests of having a Canadian public informed on environmental matters, is to have the minister tell us why she is adding a new substance to the list of dangerous substances. More important, when she takes a substance off the list and thus takes it out of the category of substances to which the act applies, she must tell the Canadian people why the danger has passed and why she is taking the substance off the list. I think this is an important principle in terms of ensuring not only the better working of the bill but that fuller information is given the Canadian public in connection with environmental matters.

[Mr. Baker (Gander-Twillingate).]

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): Madam Speaker, the hon. gentleman has some good ideas but we feel that the *Canada Gazette* is not the place to start. It just simply is not done. Some of this information might be part of a major report, for example. Therefore we would have to vote against this amendment.

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

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): All those in favour of motion No. 7 please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed please say nay.

Some hon. Members: Nay.

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

Some hon. Members: On division.

The Acting Speaker (Mrs. Morin): I declare the motion negatived on division.

Motions Nos. 7 and 8 (Mr. Brisco) negatived.

Mr. Clark: On a point of order, Madam Speaker, as a result of conversation that I had with the Minister, and some of the developments that ensued from that conversation, I request the unanimous consent of the House to withdraw the amendment appearing as motion No. 9 in my name.

The Acting Speaker (Mrs. Morin): Is it agreed that motion No. 9 be withdrawn from the order paper?

Some hon. Members: Agreed.

Motion No. 9 (Mr. Clark) withdrawn.

[*Translation*]

Hon. Jack Cullen (for Minister of the Environment) moved that Bill C-25, to protect human health and the environment from substances that contaminate the environment, as amended, be concurred in.

Motion agreed to.

The Acting Speaker (Mrs. Morin): When shall the bill be read the third time?

Some hon. Members: With leave, now.

Mr. Cullen (for Mrs. Sauvé) moved that Bill C-25 be read the third time and passed.

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

[*English*]

Mr. Baker (Grenville-Carleton): Madam Speaker, I rise on a point of order, if the hon. member for Laprairie (Mr. Watson) will indulge me for just one minute. During the course of the proceedings at the report stage there were a number of amendments referred to as having been seconded by Mr. Baker. I want to make it clear for the sake of the parliamentary secretary that the Baker therein referred to is the hon. member for Grenville-Carleton and not the hon. member for Gander-Twillingate.

● (1600)

[*Translation*]

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed with the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

ORDER OF BUSINESS

The Acting Speaker (Mrs. Morin): Is motion No. 8 in the name of the hon. member for Windsor-Walkerville (Mr. MacGuigan) allowed to stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Is motion No. 34 in the name of the hon. member for Yukon (Mr. Nielsen) allowed to stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Is motion No. 4 in the name of the hon. member for Kenora-Rainy River (Mr. Reid) allowed to stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Is motion No. 10 in the name of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) allowed to stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Is motion No. 24 in the name of the hon. member for Hull (Mr. Isabelle) allowed to stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Is motion No. 37 in the name of the hon. member for Trinity (Mrs. Nicholson) allowed to stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Is motion No. 38 in the name of the hon. member for Nipissing (Mr. Blais) allowed to stand?

Some hon. Members: Stand.

[*English*]

Mr. Knowles (Winnipeg North Centre): Madam Speaker, to save time I think there is an agreement that we proceed to order no. 53.

The Acting Speaker (Mrs. Morin): Is that agreed?

Some hon. Members: Agreed.

* * *

CANADA SEA COAST CONSERVATION AUTHORITY

ACT TO PRESERVE COASTAL BEAUTY AND RECREATIONAL USE

Mr. Ian Watson (Laprairie) moved that Bill C-253, to provide for the establishment of a Canada Sea Coast Conservation Authority, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Madam Speaker, the purpose of this bill which is entitled "An Act to provide for the establishment of a Canada Sea Coast Conservation Authority" is to preserve for all Canadians the seacoasts of this country on the east, the west, and perhaps even in the Arctic, although at the moment that is not a pressing need.

The object is to protect the beauty of our coastlines and to oversee the conservation for public recreational use of those seacoasts of Canada that are accessible to the general public. In carrying out this objective I feel it is totally essential that a number of things be done.

First, we should carry out an inventory of the seacoasts to determine which are relatively easily accessible to the public, and which have recrational potential. We must determine the cost involved in either acquiring the areas outright or protecting the environment of these desirable seacoast areas.

When I refer to protecting the environment I mean that where there is agricultural land in use we should pay the owner of that land to maintain his land in its present state. If a fisherman is farming as well as fishing we should pay him to leave the land in its existing state instead of selling his plots to somebody who might want to put up poorly designed cottages.

The authority I envisage would be required to collaborate with not only the provinces but, if there were provincial consent, with the municipalities in such provinces. To make the thing work in the way it must if it is to be successful we would require very major citizen involvement through the various local associations such as historical societies, conservation associations, and other local groups who would join the effort to keep these beautiful areas beautiful. The bill allows for a wide variety of collaboration with governments and groups of private citizens.

As the bill indicates, it would be useful for such a conservation authority to take over all existing federal Crown sea coast lands. The authority should also be empowered, if it can work out agreement with provincial governments, to take over the provincial Crown sea coast areas. As I suggested earlier, the authority would be albe to enter into agreements with the municipalities concerned, with provincial consent, to assure the existence of whatever local regulations and by-laws are necessary for the kind of environmental and aesthetic protection we seek.

If we do not have the support of the local public in something like this the thing just will not work. All of us who have travelled to the coasts of Canada, and perhaps even more so to the coasts of the United States, will realize what can happen when there is a total lack of planning and a disregard for the original beauty of the sea coast areas. In this case human greed takes over. Private developers and other groups determine what kind of landscape future generations will face, and that is a pretty miserable and awful prospect. This is the situation now being faced by most citizens in the United States along the east coast, and I suspect along the west coast as well, although I have not visited there. I do not want to see the same thing happen here in Canada.

We still have huge areas of coastline that are relatively unspoiled. We have many thousands of miles of coastline that have retained their beauty, and this bill provides one way by which we can prevent the spoilation of what is unquestionably one of our most important heritages.

● (1610)

I hope no one is under the impression from a first glance at the bill that it is designed to create tourist preserves for the benefit of central Canadian tourists to the disadvantage of the local inhabitants of the sea coast areas. To the contrary, it is designed to prevent our sea coast lands falling into the hands of fast-buck operators from central Canada, the United States, and sometimes from outside North America, to the detriment primarily of the local inhabitants, and to the detriment in the long-term of all Canadians who value the beauty of our seascapes.

While the beaches themselves are and always will be public, it is the area immediately behind these beaches with which we must concern ourselves because they are now threatened in many parts of Canada with the same kind of unplanned and unco-ordinated construction which afflicts the road approaches to practically every town and city in North America.

Whether it is thoughtlessly located or designed commercial building, a third-hand house trailer, or a school bus converted to a seasonal or permanent dwelling or even, in some cases, an attractive summer cottage, it all will contribute to the spoilation or our coastal areas if we do not have better control than we have had up until now.

I said earlier that I envisage a situation whereby we would be paying people to leave land in its existing or original state. It would be a situation in which we would indemnify farmers and fishermen adequately in a way that would make it well worth their while to agree to preserve their land in the form in which it is now providing them a living. It is all very well to suggest that we would not prevent anyone making money through the sale of his land to someone who wishes to build cottages. Individuals have and will continue to have a right to sell land for these purposes, but, in an area of particular scenic beauty we should be prepared to put up the necessary money to make it worthwhile for the owners to preserve the area for future generations rather than sell out to individuals who obviously will benefit from beautiful cottage locations.

If we continue to let this happen in all the beautiful areas of Canada there will not be anything left for the public to enjoy. Unfortunately many of the most picturesque areas have already reached the point where it would be very expensive to back-track and to try to put things where they were 10 or 15 years ago before this movement to our sea coasts really began to take hold. I am encouraged now by the attitude of Canadians toward the preservation of our past.

Certainly when it comes to a public appreciation of the furniture or our past, of the 18th and 19th century produce of Canadian craftsmen, particularly in Nova Scotia, Quebec, and Ontario, there is major public interest. Our museums are promoting this as well as our historical societies, and the historical societies are doing it as well with respect to our early architectural forms. With the exception of a few areas in the centres of Montreal, Quebec City, now Ottawa and a few other areas like Kingston, our governments have not been encouraging the preservation of our architectural heritage. These architectural forms took many generations to evolve and were based on a fantastic amount of thought.

One needs only to be in one of these older homes for a while to realize how much more thought went into them than into any of the homes being built today. While we have been spending all this money preserving the architecture in the centres or our cities we have been ignoring the early architecture of many parts or our sea coast area which is extremely typical of that part of Canada, and which is almost unique in the world because of the combination of the architecture and the building products that were available at that time.

Certain combinations of architecture and material are unique to the east coasts of Canada and the United States. We have done absolutely nothing to encourage the preservation of this. We should be encouraging the use of the architectural forms, which would not cost more, and would blend with the landscape. Yet, we have done nothing in this regard.

The government should consider granting a lower interest rate to encourage people to build the kind of houses which, for example, in Quebec are traditional to a given landscape, and which on the sea coast of Nova Scotia blend into the scenery. Although this would not represent a great expense to the taxpayers it would preserve for future generations a form of scenery which is unique to our country. My God, Madam Speaker, it seems that wherever one goes in this country one sees the same kind of construction, the same kind of houses from Montreal to Vancouver. Where we have uniqueness why should we not provide some encouragement?

This bill provides for collaboration with CMHC and Heritage Canada to evolve programs designed to encourage the use of these original forms of building and material, as well as the colours which characterize these coasts. This

would not in the least restrict some of the newest developments in architecture which, because a great deal of thought has been put into them, have evolved forms of buildings which do integrate well with seascapes.

There is no need for anyone to feel in respect of this bill that they would not be allowed to build summer cottages. That would not be the case. I have often repeated that one of the tragedies in this country is that CMHC has never used its power as a lender to require across Canada, wherever it lends money, the kind of planning which involves not only construction but green space, architecture, aesthetics and land use, the kind of planning that maximizes the use of all available technology and knowledge.

● (1620)

We have had the ability to build useful suburbs since the Second World War, and yet most of our suburbs do not and will not stand the test of time. Sure the houses are well built, but the context in which these houses are built is a poorly designed one. There are no pedestrian or bike paths, there are not enough green spaces.

We could have done everything far better with the technology that was available had CMHC imposed the ideas they had. Deliberately government after government did not give CMHC that kind of power. Successive governments felt that it was a constitutional infringement on the powers of the provinces. It has been my view, and still is, that we should use the leverage instruments we have with CMHC to push provinces and municipalities into doing the things which will assure for future generations the kind of living environment which they deserve. We have all the physical assets in terms of landscape beauty that any country could wish for, and yet we are not taking advantage of them. We have the people in this country who are capable of telling us how to do it. Let us give them an opportunity to do it.

I believe that the bill before us will achieve this aim. I know it has found sympathy among officials in two or three government departments, and I hope that hon. members here will see fit to refer the bill to the Standing Committee on Indian Affairs and Northern Development so that we can put additional pressure on the government to bring forward a bill similar to this which would provide us with the means to achieve what I hope hon. members will agree is a necessary objective.

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, first of all I want to commend the hon. member for bringing forth a bill of this nature the purpose of which is found in one of the words of the title of the bill, namely, conservation, and I am delighted to see that really he is a Conservative at heart—

Some hon. Members: No, conservationist!

Mr. Baker (Grenville-Carleton): —because there can be no more important thing for us to consider than the importance of preserving all kinds of things in this country, preserving a reasonable economic system, preserving values, and preserving natural resources. But, perhaps more important, we should be preserving the quality of life, and I think that is perhaps what the hon. member intends by this bill.

The hon. member mentioned the fact that there seems to be a difficulty in Canada in this kind of preservation in that quite often these things are sacrificed on the altar of profit. I think that he is right to a great extent, that perhaps we had leaned in the direction of sacrificing everything on the altar of profit. However, I would not want to stand in this chamber, representing the interests that I do, and say I am opposed to the operation of the profit motive in our society. Indeed it is the reasonable and enlightened operation of the profit motive that has built this country.

On the other hand the job of legislators, I think, is to find the balance somewhere between the legitimate operation of the profit motive in the business life of the country and the protection of the public interest. That, I think, would be one of the objects of the authority, not to interfere wilfully with the rights of Canadians to pursue what has been traditionally given to us by our heritage—that is the right to own and develop property—but to temper that right in some way with an obligation that is growing, even in the field of private property, the obligation to consider the larger public interest.

This is the difficulty that faces municipalities when they zone property, restricting the right of people to deal in property; it is the right that comes to play before planning boards and commissions of provinces, so they can in fact accomplish within their sphere what is the object of this bill, namely, the preservation and conservation of Canada's sea coast.

The concept of the bill is not new, it has been with us for some time, and I hope I can be forgiven if I refer, in support of this bill, to the excellent work being done in this province by the conservation authorities of Ontario which are analogous in object and intent to what, as I gather from the hon. member's remarks, he would consider for the sea coasts, of Canada.

The Ontario conservation authorities are in fact now engaged in the development of parks for public use, for the travelling public, and for the public who want to go there for rest and relaxation to get away from the hurly burly of life, and in the preservation of the great forest areas and the development of the banks of the rivers. They are involved as well in assuming the title to property for access to the banks of our rivers, lakes and streams, just as I would imagine the hon. member would like his authority to have authority to deal with these in the case of our sea coasts.

The hon. member mentioned the preservation of our past in terms of retaining for the future historical buildings and places. That has been the job of this kind of authority, in all parts of Canada and the best instance within the national capital is the work of the Rideau Valley Conservation Authority at Manotick in their preservation of the Watson Mill and the Dickinson House. I had the privilege of being there for the opening of that institution and I think all hon. members should go there and visit it. I think they would be quite moved by the work of preservation that has been done.

All too often our sea coasts, our river banks, the centres of our towns, the concession roads of our townships where there are things worth preserving in the urban and rural setting, are set aside because we have been too busy to stop

a while and look to see how important these things are to the preservation of our heritage. We have been too concerned with what is ahead rather than looking to the foundation stones upon which our society was built. It is in that sense I think that the hon. member has raised the matter.

● (1630)

The hon. member spoke about the work of historical societies, and I am sure this would fall within the objectives of this bill. I see he is nodding his head in agreement.

I am to have the honour of attending the unveiling ceremony of a historical plaque commemorating the forwarding trade on the St. Lawrence River erected through the auspices of the Grenville Historical Society. In every part of my constituency there is an active group of people willing and able to ensure that the heritage of our past is not forgotten. I think there could be co-operation between groups of that sort and the kind of authority that the hon. member has proposed.

It would not be the first time for the federal government to be involved in such things. The federal government works actively on the preservation of historical places, and that is commendable. The work should be supported in this House and by all members promoting such things within their constituencies.

Fort Wellington at Prescott is in my constituency, and I have always been grateful for the minister's co-operation with the local people in that undertaking. The Department of Transport has co-operated with the local historical society in the preservation of the locks on the Rideau Canal at Merivale.

The National Capital Commission is another example of co-operation. The entire matter is under study by a committee of this House and it is not being treated on any partisan political level. We all hope that machinery will be developed for the consultation between the national government and the local authorities which is so valuable to that committee. It has the grave responsibility for the very things which are the object of this bill as they refer to the sea coasts of Canada.

I am concerned that the economic difficulties which face us in this country mean that projects important in our history and in the spiritual sense and conservation sense will have to be abandoned or delayed. The blame lies with the government for failing to control inflation. As a result, commendable projects such as suggested by the hon. member must be put aside.

In the House yesterday the President of the Treasury Board (Mr. Chrétien) asked members on all sides not to call for programs that needed extra funding because the government intends to cut back, to slice the fat off the estimates by curbing the size of the public service. Many worth-while projects will be set aside as a result, and perhaps this is one of them.

For the last five years in this country we have been tempted to live beyond our means, and now the government says that many of these worthy projects will fall by the wayside. In face of what the President of the Treasury Board said yesterday about cutting back, I do not see how we can honestly support the creation of another bureaucracy such as would be required to carry out the objects of this bill. I think there is general agreement on all sides of the House that the intention of the hon. member for Laprairie (Mr. Watson) for the preservation of those things precious to us is commendable, but surely we cannot support another bureaucracy.

[Mr. Baker (Grenville-Carleton).]

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I appreciate having some time this afternoon to comment on this bill. I congratulate the hon. member for Laprairie (Mr. Watson) for his good work, and my friend across the way for his attitude.

As a member of the Standing Committee of Indian Affairs and Northern Development I am interested in this subject, and I have also done research work on the environment as it affects many of the points the hon. member raised. I think all members in the House would support the objectives set out in the bill, mainly the preservation of our sea coast. There may be some difference in approach to these objectives, however. One question is whether the hon. member would want to establish a new authority or use existing authorities and government agencies. At this time of restraints perhaps we should opt for the latter. I hope the hon. member for Laprairie understands that I am not in any way questioning his objectives or viewpoint when I say that there could be cheaper and perhaps more effective ways of accomplishing this.

I am rather concerned about the constitutionality of what is being proposed, but of course I am not a constitutional lawyer. I understand that the management and sale of public lands is in the hands of the provinces, and I agree with the previous speaker that if the provinces owning coastal waters have conservation authorities already, perhaps it would be best to add to their funding in order to accomplish the things that are desired. In Ontario, conservation authorities are involved with municipal councils not only on an input basis but also in the financing of the authority. It seems that in some provinces we already have certain bodies which combine the provincial and municipal arms of government. Perhaps some of the objects set out by the hon. member can be handled that way.

● (1640)

We should not overlook the work of Canada's historical societies. In my riding there is a tremendous new awareness of our historical heritage and many people are involved in identifying and recording matters of historical interest. I, too, spend much time in this way. I should mention Heritage Canada. I am impressed by some of the work they have done in identifying historical areas which are of National significance, and in promoting public awareness.

I think we should be particularly proud of the job that Parks Canada has done. Parks Canada is a well established government agency and has done many of the things about which the hon. member talked. Probably in the past five or six years we have established more new parks in Canada than were established in the previous 50. At least nine parks are coastal in nature. They have been primarily established for the purpose of preserving coastal zones for conservation and recreation purposes.

The shoreline protected by these parks is approximately 400 miles long. We have, for example, Pacific Rim National Park, with approximately 70 miles of coastline proposed for inclusion; Auyuittuq, which takes up 112 miles of the Baffin Island coastline. I suggest that there we have some of the most precious coastline left in Canada. In addition, Prince Edward Island parks account for 30 miles, Fundy National Park for 11 miles, Kouchibouguac for 18 miles, Cape Breton Highlands for 11 miles, Forillon for 22 miles, Gros Morne for 70 miles and Terra Nova for 56 miles. I placed these figures on record to indicate the extent to which Parks Canada has established parks in coastal areas. Of course the primary purpose for which the parks were established was that of preserving the coast.

It is also interesting to note the action taken by a number of provinces with jurisdiction over coastal areas. They have ensured that their coastal land stays within Canadian ownership and is not available for sale to non-Canadians who might perhaps develop it for uses not compatible with the aims set out by the hon. member for Laprairie.

I am interested in most of the aims set out by the hon. member, and I am especially interested in preserving many buildings around the sea coast as these obviously are among the oldest in Canada and, architecturally, are some of the most precious in Canada. They should be preserved if possible.

As the hon. member suggested, we must ask who is to pay for these properties to ensure that they will never be sold or used for any purpose except that of history? Once a building or historical site is identified, if it is important to Canadians it ought to be preserved and maintained by the use of already existing agencies. I suggest that the federal government can help in this regard by providing funds on the condition that the aims set out by the hon. member are met. I think the hon. member's aims are worth pursuing.

I spoke for a few minutes this afternoon to congratulate the hon. member for his work on the bill, to say that I agree with its objects, but to suggest that it is not necessary to refer the bill to committee for consideration, as what the hon. member has in mind can be accomplished by agencies already in place.

Mr. James A. McGrath (St. John's East): Madam Speaker, I congratulate the hon. member for Laprairie (Mr. Watson) for this bill. If ever any kind of bill justifies the retention of private members' hour, it is this kind of bill. It is a good bill, embodying sound principles. As its mover is a government supporter one would expect the bill to commend itself to the government, even though the bill commends itself to the House. But being cautious, the government will allow few private members' bills to be read the second time. I suppose that is understandable, as such caution is a safeguard against badly drafted legislation and the possibility that badly drafted bills will become law. Yet the principle of referring the subject matter of a bill like this to committee for study is commendable and should receive the favourable consideration of the House.

I was interested to note that three hon. members representing land locked constituencies, namely, the hon. member for Laprairie, the sponsor, the hon. member for Grenville-Carleton (Mr. Baker), and the hon. member for Peel-Dufferin-Simcoe (Mr. Milne), spoke in favour of preserving the great heritage of Canada's massive coastline, and rightly so. Often people who live near the sea do not appreciate the sea but tend to take its benefits for granted.

The coasts of Canada are a great heritage. The Newfoundland coastline is over 6,000 miles long. Until fairly recently there were 1,300 towns and villages along that massive coastline. I am sorry to say that their number has been reduced, because of the declining inshore fishery and other economic factors favouring centralization, to about 900. Nevertheless, Newfoundland has a magnificent coastline, with its great bays, beautiful fjords, magnificent coastal panoramas, and bird sanctuaries where one will find nesting many of the great sea birds of the world.

The great danger to our coasts, both in the east and the west, and in the Arctic, comes not from the intrusion of man, not from the commercial exploitation of resources. In a sense the chief enemy is the sea itself, the sea which is rapidly becoming polluted. We remember only too well the accident of the tanker *Arrow* and the consequences of that accident.

Hardly a day goes by without some oil slick being washed up on some shore somewhere in Canada. Where does the oil originate? It comes from the many ships at sea which disobey maritime laws and dump ballast, bunker fuel, etc. at night when detection is almost impossible. The oil is washed ashore as an oil slick and does irreparable damage to the environment. We have not as yet devised technology to clean up this kind of pollution, especially in Canada where the climate is cold. The colder it gets, the more difficult it is for this kind of oil pollution to break down and disappear into the environment. It is a very serious threat. The further north you get, the more complicated and serious it becomes.

● (1650)

We are probably on the eve of another disaster where somewhere at sea a tanker will run ashore, or an oil well that has been sunk and tapped will start to leak. This happened off the coast of California in the Santa Barbara area with disastrous results. It also happened in the Gulf of Mexico and off the coast of Florida. It is a great danger.

One of the things I like about this bill is that it would put into place in Canada an authority which could provide contingency plans which could be brought into force in the event of such a disaster. Imagine the consequences of an accident in the Gulf or the Bay of Fundy on the magnificent beaches of Prince Edward Island, Nova Scotia, or New Brunswick. Think of the damage which could be done to these beautiful beaches, some of the finest in the world. It makes us wonder why we do not have such an authority already.

I believe that the hon. member has brought forward a good idea. It is a good bill. The subject matter would provide a standing committee of the House with the necessary vehicle to look into these questions and make recommendations to the government as to the feasibility of putting into place such an authority as is called for in this bill.

With regard to the preservation of some of the architecture on the east and west coasts of Canada, this bill may not meet that kind of situation. The hon. member for

Peel-Dufferin-Simcoe (Mr. Milne) referred to the great work of historical societies, Heritage Canada, and Parks Canada. I certainly agree they are doing tremendous work in preserving our architectural heritage.

The beaches of Canada belong to all of us. We have an obligation to ensure that they are protected from the kind of pollution which is perhaps most difficult to control, that which comes from without. I refer to tankers that are allowed to operate along our coastlines and in our territorial waters without proper navigational aids, such as was the case with the tanker *Arrow*. We can pass all the laws to govern pollution that we wish, but it will not prevent these tramp tankers which fly flags of convenience from traversing our coastlines, running the risk of going aground and dumping their cargoes. They not only do irreparable damage to our beaches, but to the fisheries and marine life which find sanctuary within them. This bothers and frightens me.

I love the sea. I was born on the east coast of Canada. I was raised with the sea in my blood. To walk on the clean, wholesome beaches of eastern Canada is a tremendous exercise, a tremendous advantage. I hope that we as a parliament will take steps to put into place some kind of authority, perhaps not exactly as envisaged in the hon. member's bill, but at least set up some kind of authority to preserve this great resource, protecting it from the polluters of this world and ensuring that the quaint villages that are found, especially on the east coast of Canada, are preserved for generations to come. I hope the House will allow the subject matter of the hon. member's bill to go to the committee.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise for less than a minute. I should like to join with all others who have spoken in commending the hon. member for Laprairie (Mr. Watson) for introducing this bill. I am sure that all who have been here during this hour feel it has been a most worthwhile discussion.

The other comment I wish to make is that there seems to be general agreement that the subject matter of the bill ought to be referred to the standing committee. I should like to make it unanimous. I suggest that a way be found to do that before this private members' hour concludes.

Mr. Baker (Grenville-Carleton): Madam Speaker, I rise on a point of order. I listened to what my friend has said. I hope there will be unanimous consent within the House to do that. I can certainly say for the Official Opposition that there would be unanimous consent to refer the subject matter of the bill to the standing committee. On the same point of order and alluding to what the hon. member for St. John's East (Mr. McGrath) has said, we should consider the importance of the subject matter of private bills generally and consider a procedure by which the subject matter of more of these bills can be referred to committees of the House for consideration.

Mr. Watson: On the same point of order, Madam Speaker. If we could have unanimous consent I would move that the subject matter of Bill C-53 be referred to the Standing Committee on Indian Affairs and Northern Development.

[*Translation*]

The Acting Speaker (Mrs. Morin): The hon. member has already moved second reading. This would require unanimous consent.

[*English*]

Mr. Douglas (Bruce-Grey): Madam Speaker, while I certainly agree with the points expressed, I think we are asking something of the House and the minister without him knowing exactly what is going on at this time.

Mr. Knowles (Winnipeg North Centre): Where are the ministers?

Mr. Douglas (Bruce-Grey): There are some ministers here, but not the minister responsible. We are asking him to accept something without any indication from him or his parliamentary secretary as to whether they agree to it. While the subject matter is certainly one that deserves consideration—

Mr. Knowles (Winnipeg North Centre): Shame!

Mr. McGrath: You just killed it.

Mr. Douglas (Bruce-Grey): I am sorry, but I think we are talking about a situation and we have no right to take advantage.

Some hon. Members: Shame!

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 3, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

FAILURE OF FRANCE TO INVITE CANADA TO ECONOMIC SUMMIT CONFERENCE—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the motion I would like to move will, I hope, receive the support of the House. Under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity, namely the inexcusable decision and determination of the Government of the Republic of France denying to have Canada represented at the Paris Summit Meeting November 15 to 17, which will be convened to discuss the world's financial problems. I ask leave to move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House strongly protests such decision, which creates a precedent, in that it denies the right of Canada, for the first time since the Second World War, to be invited to an international conference, and no less inexcusable, having regard to the historic relationship of France to our country in peace and war.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House for the presentation of this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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COMBINES

PROPOSED INVESTIGATION OF ACTIVITIES OF WESTON IN THE FOOD INDUSTRY—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the recent seizure of the records of the United Fisheries and Allied Workers Union pursuant to the Combines Investigation Act, and in view of the fact that the Weston conglomerate continues to dominate the purchase and marketing of food and fish products in Canada without apparent investigation, as well as being the principal purchaser of west coast salmon, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Consumer and Corporate Affairs investigate the activities of the Weston conglomerate in the food industry, and further, that the minister advise the Standing Committee on Fisheries and Forestry as to the extent of inquiries by his department within the past ten years into the Weston conglomerate.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

INDUSTRY

SUGGESTED PARTICIPATION OF WORKERS AS SHAREHOLDERS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity.

Given the increasing problems faced by the labour market, which is ever more perturbed by unemployment and strikes, since this situation causes considerable prejudice to all those involved in this vicious circle, and since we must at all cost find means of restoring real balance and prosperity in the industry to support effectively our economy which is now faced with severe problems, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House of Commons consider forthwith adopting legislation which would enable workers to share in the profits of the industry by holding shares, the revenue of which would be partly deductible for income tax purposes on the same basis as revenue from the stock market, a measure which would immediately and directly stimulate production and reduce the need to strike and would create a healthy climate in the labour market.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the hon. member's motion cannot be put.

[*English*]

EXTERNAL AFFAIRS

ALLEGED INTERFERENCE IN CANADA'S DECISION ON HOSTING UNITED NATIONS' CRIME CONFERENCE—MOTION UNDER S.O. 43

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing concern, namely the disturbing allegations in the latest issue of *The Canadian Magazine* concerning the role of the executive of another country in Canada's decision regarding the Fifth U.N. Congress on the Prevention of Crime and the Treatment of Offenders. The seriousness of the charge being underlined by the fact that the author, Mr. Noel Moore, was the official U.N. spokesman for the congress, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House, viewing with concern any reflection upon Canadian sovereignty in the realm of foreign policy, invites the Secretary of State for External Affairs to find an early opportunity to make a full statement in the House concerning the allegations made by an experienced United Nations official which reflect upon Canada's independence of action and decision regarding the hosting of the Fifth U.N. Congress on the Prevention of Crime and the Treatment of Offenders.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

AIRPORTS

REQUEST FOR DELAY IN GRANTING LEASE TO SKY SHOPS AT DORVAL PENDING INVESTIGATION—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I ask the unanimous consent of the House to propose a motion under the provisions of Standing Order 43 in a case of urgent and pressing necessity. This matter concerns a lease between Her Majesty and Sky Shops Export Limited, or its assignees, granting an exclusive concession for a duty-free shop at Montreal International Airport at Dorval. The matter is urgent and pressing because the renewal of the lease takes effect on December 1, 1975. It touches this House, this parliament and the government because shortly before the government authorized the lease Senator Louis de G. Giguère, then and now a Member of Parliament, became a shareholder of the company and, shortly after authority for the lease was granted, sold his shares for a very substantial profit.

Some hon. Members: Oh!

Mr. MacKay: I would therefore move, seconded by the hon. member for York-Sunbury:

That the government amend, revoke or stay the concession to operate a duty-free shop at Montreal International Airport at Dorval, granted to Sky Shops Export Limited, to commence December 1, 1975, until and subject to an independent investigation into, and report upon, the negotiations leading to the grant by the government of the said concession and the role, if any, of Senator Giguère therein.

[Mr. Speaker.]

Mr. Speaker: Pursuant to Standing Order 43 the motion cannot be put in the absence of the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No!

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PUBLISHING

SUGGESTED INVESTIGATION OF PAYMENT OF DIVIDENDS BY "TIME CANADA" TO PARENT ORGANIZATION—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that *Time* Canada in 1973 and 1974 paid twice as much in dividends to its parent company *Time* Inc. of the United States as it actually earned in profits—a practice obviously designed to milk the Canadian company of as much money as possible—and in view of the relevance of *Time's* corporate behaviour in connection with Bill C-58 which some day, presumably, will be coming back to the House for further debate, I ask leave to move, seconded by the hon. member for Brant:

That this House instruct the government to initiate a thorough investigation of all circumstances surrounding the payment of dividends by *Time* Canada to its U.S. parent and to make the results of such investigation available to members of this House at the earliest opportunity.

Mr. Speaker: Pursuant to Standing Order 43 the motion cannot be present without unanimous consent. Is there unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No!

ORAL QUESTION PERIOD

[*English*]

AIRPORTS

DORVAL—REQUEST FOR DELAY IN GRANTING OF LEASE TO SKY SHOPS PENDING INVESTIGATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is to the Minister of Transport pursuant to a matter of which I have given him notice and which I intend to present in the form of a petition later this afternoon. Is the minister aware of all the circumstances surrounding the renewal of the lease of Sky Shops Export Limited at Dorval, and will he undertake at this time to stay the renewal of the lease until he is fully satisfied that the renewal has been properly obtained?

Hon. Otto E. Lang (Minister of Transport): I am not sure I can state categorically that I am aware of all the circumstances surrounding anything but I am glad to tell

the hon. member that I looked at the question of the original lease and was satisfied that a judgment was made about its merits on the basis of its value and the terms of alternative proposals. I shall, of course, follow up the representations of the hon. member as usual.

Mr. MacKay: I should like to ask the Minister of Justice whether he will give the House an undertaking that he, in concert with his colleague the Minister of Transport, will thoroughly investigate the circumstances surrounding the granting of leases and concessions to Sky Shops Export Limited both at Dorval and Mirabel?

Hon. Ron Basford (Minister of Justice): I have just received a copy of the petition the hon. member intends to present to the House later, and I should like to read the petition before I answer his question.

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ROYAL CANADIAN MOUNTED POLICE

SUGGESTED EXPEDITING OF INVESTIGATIONS INTO MIRABEL CONTRACTS AND DREDGING CONTRACTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Solicitor General. At a time when the working people of this country have very great restraints placed upon their incomes by a law now before this parliament, is it the intention of the Solicitor General to expedite the investigation into alleged wrongdoings concerning the Mirabel airport contract in addition to the investigation currently underway into alleged wrongdoings concerning government dredging contracts, so that these rip-off artists can at least have restraints placed upon them too?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I reported to the House the other day, the allegations with respect to Mirabel airport have been passed on to the RCMP, and they are evaluating them to see whether an investigation is necessary. The reported story that the investigation is not going ahead because of a shortage of personnel is completely false. I checked that once again this morning and they say that if, in their estimation, an investigation is necessary they will proceed as quickly as possible. With respect to the dredging investigation, that is proceeding as quickly as possible.

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AIR TRANSPORT

CRASH OF PANARCTIC AIRCRAFT—REQUEST FOR PUBLIC INQUIRY—GOVERNMENT ACTION ON RECOMMENDATIONS OF CORONERS' JURY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is also directed to the Minister of Transport. In view of the unequivocal call by the coroner's jury following the inquest into the Panarctic Oil company plane crash for a full public inquiry, as well as the request by two fathers of victims and the sister of the pilot for a full public inquiry, can the minister now announce to the House that he intends to allow a full public inquiry without further delay?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I indicated to the House earlier that I thought the question of transport issues involved and those of safety were satisfactorily canvassed in the investigation and the report made to me within this department. Other issues that may arise are really more properly the concern of the Minister of Justice.

Mr. Leggatt: A supplementary question, Mr. Speaker. In view of specific recommendations that have now been made by that particular jury—in particular, the request that radio operators should be licensed, a fairly fundamental request, I would expect, and the whole question of seat belts and emergency procedures in a crash—would the minister now advise whether these specific recommendations that the jury made have been taken in hand by his department, and that we can expect immediate action on those specific recommendations?

Mr. Lang: Mr. Speaker, I have previously told the House that the issue of safety in relation to flying in the private sector had been under examination, and that some number of months ago proposals regarding changed regulations were in fact put forward for discussion to the industry. These involved a whole range of questions concerning facilities and qualifications in the private flying sector. Comments on these are all expected to have been received by the middle of this month, at which time formulation of specific regulations will go ahead.

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ADMINISTRATION OF JUSTICE

NEED FOR UNIFORM RECIPROCAL RECOGNITION OF SUBPOENAS—GOVERNMENT ACTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a final supplementary question for the Minister of Justice. In view of the problems the coroner's jury had regarding subpoenaing witnesses outside the Northwest Territories and the general problem of subpoenaing witnesses between one province and another, which, as the minister knows, has been a continuing difficulty in Canada, would the minister consult his counterparts or take action to consult his counterparts so that we can have legislation covering the broad range of subpoena powers in order not to run into this problem constantly with inquests and juries who do not have the capacity to subpoena witnesses, which means that the whole story does not come out?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, some time ago I asked my advisers to consider the coroners' ordinance in the Northwest Territories and examine the effectiveness of that ordinance both as to the powers of coroners in the north generally and with specific reference to the powers of subpoenaing witnesses outside the territories. That review is underway. The same problem exists, as the hon. member has pointed out, between the north and the provinces and between provinces. The solution to that problem is the enactment by the provinces of a uniform

reciprocal recognition of subpoenas, which was recommended a year ago by the uniformity commissioners. I urge provincial attorneys general to consider that report carefully and to act upon it. I would be happy at my next meeting with the provincial attorneys general to raise this issue with them.

* * *

● (1420)

[*Translation*]

THE CANADIAN ECONOMY

OPPOSITION OF UNIONS TO ANTI-INFLATION PROGRAM—GOVERNMENT ACTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Labour.

Since the majority of union leaders in Canada are considering combating the government's anti-inflation measures by investing large sums of money in advertising, can the minister inform the House whether he has been in touch with the union leaders to dissuade them from their pursuit?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member that I have certainly been in touch with union leaders, but not to advise them not to invest funds. It is their right to invest their membership funds in the ways they consider proper, and they are accountable to their membership for that. If this is one of them, I do not believe any advice from me on that question would be at all helpful. I would just advise the hon. member that as far as I am concerned, I think most labour leaders are adopting the view that they should oppose this legislation in every legitimate way prior to it becoming law, and then they are going to work within the law.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION INTO ALLEGED DRUG TRAFFICKING AT DORVAL AIRPORT—REQUEST FOR REPORT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I would address my question to the Solicitor General. Will he inform the House on the status of the RCMP investigation into drug trafficking at Dorval International Airport?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not sure in respect of what investigation the hon. member is referring.

An hon. Member: There are so many you can't keep up to them, Warren.

Mr. Allmand: That is right; drug trafficking is a serious problem in this country and there are many investigations going on. Perhaps the hon. member could please inform me to which investigation he is referring.

Some hon. Members: Oh, oh!

An hon. Member: Get with it.

[Mr. Basford.]

Mr. McKinnon: Mr. Speaker, I was unaware that the Solicitor General had more than one investigation going at the same time into drug trafficking at Dorval airport. Could the minister inform the House of the fate of Sergeant LeDuc, the RCMP officer who informed the press of the alleged activities?

Mr. Allmand: Mr. Speaker, if I understand correctly, the hon. member is following up on an investigation that was referred to before the House adjourned for the summer. I will have to get the report on that and give it to the hon. member as I do not have that information with me right now.

* * *

TRADE

REQUEST FOR STATEMENT ON MEASURES TO STIMULATE EXPORTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Trade and Commerce; that is trade and commerce. As Statistics Canada in its report of last Thursday stated: "The volume of imports into Canada increased by 4 per cent in August, to a level of 41 per cent above 1971." and, "The volume of exports continued to decline, dipping below the 1971 level", would the minister take the first opportunity on motions to give an outline to the House of what he intends to do to bring our exports back to the plus side?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, but whether it will be on motions or by some other means, I will be very happy to do that just as soon as I have had a chance to examine the statistics thoroughly and understand what their real implications may be.

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THE CANADIAN ECONOMY

ANTI-INFLATION BOARD—DEGREE OF INDEPENDENCE BOARD PERMITTED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister who I am sure will have been informed of the statements made by Mr. Pepin during the weekend with regard to the degree of independence his anti-inflation review board should enjoy. Will the Acting Prime Minister clarify what independence the government feels that board should enjoy, particularly with regard to analyzing and speaking out about the root causes of inflation from time to time?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is the government's intention that the Anti-Inflation Board should be an independent board, indeed, free to comment on the actions of the government itself. For example, in respect of any wage settlements proposed by the government the Anti-Inflation Board would have the opportunity of reviewing and commenting on those. It is also our hope that the Anti-Inflation Board will give

some general leadership in the fight against inflation by talking about its causes and what seems to be required.

Mr. Stanfield: Mr. Speaker, in view of Mr. Pepin's expressed desire to have the right to express strong views on why we have inflation, and also as to the reform which is needed in some major Canadian institutions, will the board be free to do that in respect of the general level of government expenditures, for example? Would the government welcome or accept statements from the Anti-Inflation Board in respect of the general level of these expenditures?

Mr. Sharp: Certainly, Mr. Speaker, we would have no objection if the board wants to comment on that. The government intends to make this work. I imagine it will be very strongly criticized by the opposition in doing so and we would like to have some support.

* * *

INDIAN AFFAIRS

POSSIBILITY OF DENIAL OF ACCESS TO COURTS TO SETTLE INDIAN CLAIMS—SUGGESTED COMMITTEE STUDY OF MR. HUNT'S TERMS OF REFERENCE

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. He has notice of the question. It concerns the announcement by him of the intention to involve his department directly with the question of native land claims by appointing Mr. Digby Hunt as a claims commissioner. I should like to ask the minister if it is now the position of the government that it intends to deal with these most important issues on a political level rather than provide the natives with the means to have their claims adjudicated in court.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the position of the government, ever since the statement of my predecessor on August 8, 1973, has been that we are prepared to sit down and negotiate with the native people in the areas where treaty was not entered into by the native people. I have indicated on many occasions that we feel that is a preferable route to going through the courts.

Mr. Oberle: Mr. Speaker, would the minister be prepared to discuss briefly the terms of reference under which Mr. Hunt has been asked to carry out his duty and make these terms of reference a subject for discussion by the Committee on Indian Affairs and Northern Development?

Mr. Buchanan: I will have to consider that, Mr. Speaker, and I will be happy to make a copy of the terms of reference available to the hon. member.

INDIAN CLAIMS IN RESPECT OF ATHABASCA TAR SANDS—POSSIBILITY OF CONFLICT OF INTEREST FOR MINISTER

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary concerns the claim which the Indian Association of Alberta has brought in respect of the Athabasca tar sands. Could the minister indicate what action his department is taking in that regard and whether it will offer the Indian people any kind of assistance to plead their case and whether indeed he may be somewhat in a position of conflict of interest insofar as the tar sands are concerned since he has responsibility for the Indian people while at the same time the government has a direct investment in the area? Could he clarify these matters?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not think this question involves a conflict of interest. This is an action before the courts and the courts will deal with it.

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THE CANADIAN ECONOMY

GOVERNMENT POSITION ON EFFECT OF WAGE SETTLEMENTS ON PRICE OF EXPORTS

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of a statement by the Minister of Labour last week at the convention of the Newfoundland and Labrador Federation of Labour that much of the public hysteria over wage levels has been generated by some who intentionally or unintentionally have distorted statistical data, I should like to ask the Acting Prime Minister whether that statement indicates that the government has revised its view with respect to the alleged excessiveness of recent wage increases, and particularly, whether the government still holds to the view that such wage increases are threatening to price our product out of international markets.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would just say to the hon. member that I believe he has quoted the paragraph in my speech quite correctly. I have maintained, and so have others, that wage settlements over the course of the last year have not been the primary cause but more the opposite, that wages have been chasing prices. It is quite consistent justification for the policy we are announcing now and carrying through on and he will see my rationale for that position in the speech. He will also see it is obvious to all of us, having stated the general proposition, that some wage settlements have been excessive.

DATE WHEN EFFECT OF WAGE SETTLEMENTS ON PRICE OF EXPORTS IS REFLECTED IN STATISTICS

Mr. Andy Hogan (Cape Breton-East Richmond): I have a supplementary, Mr. Speaker. I wonder if the Acting Prime Minister could indicate when he expects such effects on our competitive position to be reflected in the statistics. Perhaps in that context he would like to give the House his explanation of the fact that, according to latest figures from Statistics Canada, the prices of the goods we import, including those for finished products which are labour intensive are continuing to increase at a rate that is almost double the rate of increase in prices of Canada's exports, indicating that our competitive position is actually improving.

● (1430)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I hope that what the hon. gentleman has said is true. The whole purpose of our program is to protect our competitive position.

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CANADIAN BROADCASTING CORPORATION

COST OF INTRODUCING LOGO—GOVERNMENT ACTION TO CONTROL

Mr. Marke Raines (Burnaby-Seymour): Mr. Speaker, I have a question for the Secretary of State. Is the minister aware of the fact that the cost of introducing a CBC logo, that is an identification symbol, last year was more than $390,000 and the cost of the one cocktail party to introduce that logo was more than $3,400 and that the CBC has attempted to keep this expenditure a secret until this moment? If so, can the minister say whether future expenditures of this sort will not be kept secret—

Some hon. Members: Hear, hear!

Mr. Raines: —and future expenditures of this nature will be deleted from the CBC budget and, if not deleted, that such moneys will be spent on programming rather than fripperies, and whether this matter is under his control and jurisdiction?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I think the most germane part of the question was at the end concerning how much came under my direct control. It is very limited, for good reasons, but I will refer the rest of the question to the corporation.

Mr. Baldwin: Tell them to keep within the guidelines now.

* * *

[*Translation*]

HARBOURS

DEVELOPMENT OF PORT AT GROS-CACOUNA—REQUEST FOR PROGRESS REPORT ON NEGOTIATIONS WITH QUEBEC

Mr. Eudore Allard (Rimouski): Mr. Speaker, may I put a question to the Minister of Transport?

Considering the discussions and transactions that have been going on for many years now regarding the construction of a deep water sea port at Gros-Cacouna, as well as the talks your department has been having for some time with the Quebec trade department, could the minister tell the House what stage the negotiations have reached in that regard? Could he say also whether he expects satisfactory results?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is action on two fronts with regard to this important potential harbour. In the first place, discussions with the province of Quebec have led to the conclusion that some further steps in analysis would be useful, and that is likely to go forward with dispatch. In addition to that, I have taken a special interest in the potential of that particular area and will be endeavouring to ensure that this department is in a position to make recommendations at an early date.

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EXTERNAL AFFAIRS

FAILURE OF FRANCE TO INVITE CANADA TO ATTEND ECONOMIC SUMMIT MEETING—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it has to do with the fact that Canada, despite its expressed desire and willingness to be present at the economic conference beginning on November 15, has been turned down. It was reported in the press that a senior official in the Prime Minister's office said two days ago that there was no indication that an invitation will be extended and that the position of the French government is not that they do not like us but that they feel the conference will only succeed if it is an intimate gathering.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I know the minister has done everything possible to obtain an invitation and was in touch with the United States, West Germany and the United Kingdom. Would he say what is the present position and what is the reason for this extraordinary decision. Apparently France has forgotten about the tremendous service rendered by Canada in two world wars in that country.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the present decision is that as yet Canada has not been invited to participate in the economic summit, but the support for the attendance of Canada has come, as the right hon. gentleman mentioned, quite strongly from the United States and from the Federal Republic of Germany. Also, the possibility of our attendance has been sympathetically received by Japan and the United Kingdom. The host country has not yet agreed to the attendance of Canada. We believe we have the economic position in the world to justify our attendance and we believe that our presence would help to counter-balance the very heavy European attendance at the conference. We are still putting forward our claim and we have not yet given up hope that we will be invited to attend this summit.

Mr. Diefenbaker: Mr. Speaker, is it correct, as stated in the press a couple of days ago, that the reasons given unofficially by France for not inviting Canada are the declining economic importance of Canada in the world and our diplomatic tendency to take a narrowly selfish approach to world problems?

Some hon. Members: Oh, oh!

Mr. MacEachen: I am quite sure that is not the reason, Mr. Speaker.

EFFECT OF ALLEGED RELIANCE ON UNITED STATES TO OBTAIN INVITATION TO ATTEND ECONOMIC SUMMIT MEETING

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question to that put by the right hon. member for Prince Albert. Since one of the major objectives of our foreign policy, we have been given to understand, has been to assert our independence from the United States especially in the eyes of our European partners, can the minister explain why this heavy reliance on Mr. Kissinger's efforts should not be seen as running counter to our aims and thereby hurting our chances of gaining access to the conference?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we are pleased to have the support of the President of the United States. We have received the support of the head of the government of the Federal Republic of Germany and of the United Kingdom. So, we are not feeling we have to rely entirely on the U.S., whose support we welcome very much in this instance.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR REPORT ON INVESTIGATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Solicitor General regarding the investigation of the SIU which, I believe, started some time in May. Can the minister bring us up to date regarding the status of this investigation and whether any charges are contemplated? When does he believe the investigation will be completed, if it is not already?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I check on these investigations from time to time with the RCMP. I was told recently that the investigation with respect to the SIU is still continuing but in different parts of the country, the west coast, the east coast, Montreal and Ontario, and that it is very difficult to give dates when such investigations can be concluded because during the investigation new evidence appears which has to be followed up. So I am afraid I cannot tell the hon. member more at this time.

INVESTIGATION OF ALLEGED DRUG TRAFFICKING AT DORVAL AIRPORT—-REQUEST FOR REPORT

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I now have an answer to the question posed by the hon. member for Victoria with respect to the narcotics investigation at the Dorval airport which was started in the spring. It appears that a former Canadian customs officer has been arrested and charged, as well as a former policeman and an Air Canada employee who worked at the airport. These people have all been charged, and since the case is now before the courts I cannot say more at this time.

EXCISE TAX

REFUNDABLE TAX ON GASOLINE—GOVERNMENT ACTION TO ESTABLISH EXEMPTION CERTIFICATE PROCEDURE FOR BULK PURCHASERS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of National Revenue in the absence of the Minister of Finance, and it is directed to him because of his experience as parliamentary secretary when Bill C-66 was put through the House. In view of the continuing concern of the school bus system in Canada, of the Canadian Trucking Association as well as of municipalities, construction firms and agricultural producers, about the imposition and collection of the refundable 10 cents a gallon excise tax on gasoline, has the government taken action to establish the exemption certificate procedure for bulk fuel purchasers, for which provision was made in a last minute amendment to Bill C-66?

● (1440)

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I do not know just how far along the path this particular item has gone, but I will most assuredly find out and let the hon. member know.

Mr. Towers: Could the minister tell the House whether the committee was appointed and whether it is working at the present time?

Mr. Cullen: To date my information is that in fact there is a committee of two departments working on this particular problem.

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GOVERNMENT ADMINISTRATION

ADHERENCE OF GOVERNMENT DEPARTMENTS TO ANTI-INFLATION GUIDELINES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the President of the Treasury Board and ask him if he would confirm the general assumption widely held that departments of government themselves will be required to live not only within the letter but also within the spirit of the government's regulations with regard to increases, and that the government will not allow increases in costs for service to rise at a great rate is correct? I am thinking of such fees as licence fees, entrance fees for parks and matters of that sort.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the government certainly intends to follow the guidelines announced in the bill introduced by the Minister of Finance. With regard to the organizations that enable the government to collect money, we intend to follow the same guidelines but in the specific case of Parks Canada, and others, we have yet to make a final decision.

[*English*]

NATIONAL DEFENCE

POSSIBLE INVESTIGATION OF POLICE ORGANIZATIONS BY SECURITY DIVISION OF ARMED FORCES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of National Defence. This matter pertains to the administration of justice. In asking this question I am certainly not supporting any strike in the essential services, particularly of the police forces.

Did any member of the branch of the Canadian armed security division, known also as the security services of the Canadian armed forces, conduct an investigation of police organizations or members of their personnel—in particular the Saskatchewan Federation of Police Association and the Calgary Police Association—as to a possible police strike for any reason, or in particular, as to the reason for the attitude of the police associations in reference to the law governing persons convicted of capital murder of police officers? I put that question to the Minister of National Defence because it deals with his own security division.

Hon. James Richardson (Minister of National Defence): Not to my knowledge, Mr. Speaker, but I will make inquiries to see if those investigations were held.

Mr. Woolliams: I received this information from the police associations. When the minister is checking this out, will he check whether Major Figley of the Winnipeg western security division and Warrant Officer Kacinia were involved in the investigation, and under what authority this investigation of city and urban police forces was conducted? Who directed the orders and what was the purpose of the investigation?

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BROADCASTING

ACTIONS OF UNITED STATES TELEVISION STATIONS IN OBTAINING CANADIAN ADVERTISING—GOVERNMENT ACTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Secretary of State. In view of the fact that United States border television stations are dumping advertising inventories to Canadian advertisers—for example, $60 time slots being sold for $22—in order to dry up business for Canadian stations and to force them into a loss position, and in view of the fact that this dumping is circumventing the proposed income tax measures in Bill C-58 dealing with television advertising, what measures is the minister taking or planning to take to protect Canadian television stations?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I cannot comment on the dumping aspect although I will certainly look into it. I think that the remedy clearly lies in a speedy passage of Bill C-58.

Mr. Symes: I hope the minister, along with the Minister of Finance, will investigate with regard to the anti-dumping aspect, and I remind the minister that the income tax provisions in the bill do not cover the selling of advertising at half cost, which in effect circumvents the proposed legislation.

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THE CANADIAN ECONOMY

ANTI-INFLATION BOARD—POSSIBILITY STRIKE AGAINST VERDICT OF BOARD CONSTITUTES CONTRAVENTION OF GUIDELINES AND MAKES UNION SUBJECT TO PENALTIES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Labour. It is supplementary to questions directed to him and to the Acting Prime Minister. In view of the discussion with respect to the jurisdiction of the anti-inflation review board, is it the view of the government that a strike against the verdict of the Anti-Inflation Board to obtain remuneration above the guidelines after the appeal period has been exhausted constitutes a contravention of the guidelines and therefore makes the union subject to the penalties envisaged in Bill C-73?

Mr. Speaker: Order, please. I am sure the hon. member realizes that he is putting a hypothetical question or seeking a legal opinion, neither of which is permitted.

ANTI-INFLATION PROGRAM—SUGGESTED STUDY OF CROWN CORPORATIONS TO ELIMINATE DUPLICATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Prime Minister my question is for the Acting Prime Minister. In the interests of restraint has the government undertaken any study with respect to Crown corporations to see which might be merged, disbanded, or dealt with to ensure that we do not have what appears to be an excess of Crown corporations?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as far as I know the government has not specifically undertaken any such study. We have been looking for ways of reducing expenditure, and if the hon. gentleman would like to suggest some corporations which he personally would like to see disbanded, we would be willing to consider his suggestions.

Mr. Stevens: Would the Acting Prime Minister at least indicate that he will take this subject up with his colleagues in the cabinet and ask each of them to justify the Crown corporations under their direction?

Mr. Woolliams: Like PetroCan.

Mr. Sharp: We do this constantly.

Some hon. Members: Oh, oh!

Mr. Sharp: We are always asking one another questions as to whether the other fellow's activities are justifiable. That is why I ask my hon. friend to suggest which corporations he would like to disband.

Mr. Stevens: Would the Acting Prime Minister assure the House that when I produce the list of Crown corpora-

tions to which he has referred, he will in fact take the action I suggest?

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COMMUNICATIONS

CABLEVISION—POSSIBLE DISCUSSION WITH DR. KISSINGER OF COMMERCIAL SUBSTITUTION POLICY

Mr. Jim Balfour (Regina East): Mr. Speaker, I have a question for the Acting Minister of Communications. Can the Minister inform the House whether the growing dispute over the CRTC's commercial substitution policy on cable television was discussed with Dr. Kissinger during his recent visit to Ottawa? If so, could he indicate the position taken by the government on this matter?

Hon. Otto E. Lang (Acting Minister of Communications): Mr. Speaker, I was not present at those discussions.

Mr. Balfour: Can the Acting Minister of Communications assure the House that the government will not approve any policy which will have the effect of reducing the choice of television programs available to Canadian viewers?

Mr. Lang: The assurance being sought is pretty broad, Mr. Speaker. I do not know of any action by the CRTC which is against the interests of Canadian viewers.

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CAPE BRETON DEVELOPMENT CORPORATION

REQUEST FOR ASSURANCE NO REDUCTION IN EXPENDITURES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the President of the Treasury Board. In view of the fact that unemployment is running at the rate of 25 per cent to 30 per cent on Cape Breton Island at the moment, would the minister assure the House that under the policy of restraints no moneys will be cut back with regard to a Crown corporation called the Cape Breton Development Corporation, and indeed, if moneys are being saved in any other areas, that they would be forthcoming to that corporation to expand the economy of Cape Breton, which is badly needed?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I take notice of the representation of the hon. member, and I hope that he will compare his question with the speech of his leader last Thursday.

Mr. Muir: Different situation altogether.

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NATIONAL REVENUE

ART TREASURES FROM SOUTH VIET NAM—DATE OF DECISION ON WHETHER OR NOT ITEMS PERSONAL

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is to the Minister of National Revenue. Has his department ascertained whether the alleged art treasures which came from South Viet Nam are actually art treasures, belong to the people of South Viet Nam and should be returned, or whether they are in fact personal items and have as yet been delivered or given over to a person or persons in the city of Montreal?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, that particular investigation has not been completed, and a report has not been made to me, so that decision has not as yet been made.

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UNEMPLOYMENT INSURANCE

POSSIBILITY CONTRIBUTIONS EXCEEDING BENEFITS PAID—GOVERNMENT POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Could the minister confirm whether the employer-employee contributions to the fund are meeting the cost of unemployment insurance benefits being paid out, or whether perhaps they are exceeding the benefits and are accruing to the general revenues of the government?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I can assure the hon. member that the premiums are not accruing to any surplus to the benefit of the government. As they now exist they are designed to cover the operation chargeable to the employer-employee premium account and in addition, to reduce, and I think, very soon to eliminate the deficit which was accumulated two or three years ago. Any change in the rate as a result of the passage of Bill C-69 would be based on the same principle, although, as the hon. member knows, the threshold and therefore the basis for the charge to the government, as opposed to premium account, will then be changed.

● (1450)

PUBLISHING

EFFECT OF EIGHTY PER CENT CANADIAN CONTENT REGULATION ON CERTAIN CANADIAN MAGAZINES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is directed to the Minister of National Revenue. Will the minister's ruling that Canadian magazines must have 80 per cent Canadian content to qualify for tax exemptions for advertisers discriminate against Canadian magazines reporting on news beyond Canadian borders, but not discriminate against those reporting events in Canada?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, the premise of the hon. member's question is wrong. It is not a question of 80 per cent content; it is a question of being 80 per cent different, and there will be no problem with that particular guideline.

Mr. Woolliams: Is it not wonderful to have people judging what we can read?

Oral Questions

GRAIN

SUGGESTED DEFERRAL OF TAXES ON ADJUSTMENT PAYMENTS—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. Has he completed his discussions with the Department of National Revenue on whether to allow an election to be made regarding taxes on adjustment payments for grain sold prior to October 9?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the discussions are not complete. In the meantime, further difficulties in processing the payments have been encountered and will be encountered in any attempt to give an election, because of the lack at present of adequate mail delivery service.

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[*Translation*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTED ADOPTION OF MEASURES TO CONTROL PRICES

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I should like to put a question to the Acting Prime Minister.

Can he tell the House whether immediate steps will be taken to put a stop to rising prices which have not stopped going up since the freeze was announced?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I thank the hon. gentleman for addressing a question to me for the first time. It is a great pleasure to have him in the House. No doubt he will have noticed while he has been here that we have an anti-inflation program under discussion. I hope we can count on his co-operation.

Mr. Baker (Grenville-Carleton): There is not a housewife in the country who believes you.

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NUCLEAR LIABILITY ACT

REASON FOR FAILURE TO PROCLAIM

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Nuclear Liability Act was passed by parliament, received royal assent in June, 1970, but has yet to be proclaimed. Can the minister indicate the reason for the delay in proclamation, and is it related to the unwillingness of private insurers to assume the responsibilities required by the act? Also, can he indicate when the act may be proclaimed?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I know that there have recently been discussions with private insurance agencies and I believe they are much closer now to being able to provide the kind of insurance anticipated in that legislation. However, I will check the matter and let the hon. member know.

* * *

BROADCASTING

GUIDELINES ON VIOLENCE ON TELEVISION—GOVERNMENT POSITION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Secretary of State, who is responsible for the CBC. Does the minister intend to introduce legislation regulating the advertising on television of violent movies rated as restricted?

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker. The hon. member may remember that this question was raised when the CBC last appeared before the parliamentary committee. The CBC has guidelines on violence. Whether they coincide with guidelines hon. members of the House would like to see is something they can raise with the corporation.

Mr. Knowles (Winnipeg North Centre): Will they apply to the Liberal convention this weekend?

Some hon. Members: Oh, oh!

Mr. Howie: A supplementary question, Mr. Speaker. What can the minister say about guidelines for the other networks and private stations?

Mr. Faulkner: Mr. Speaker, the guidelines would be a matter for the CRTC.

* * *

[*Translation*]

NATIONAL SECURITY

SUGGESTED PROTEST OF ADVERTISEMENTS BY CIA FOR AGENTS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the Solicitor General of Canada.

Considering that there are advertisements for job vacancies by the CIA in American newspapers like the following: director for the CIA; murderers GF-18, massive murder; murderers GS-13, murder of head of state; burglars; union leaders; false witnesses, politicians; agents provocateurs; administrators for racketeer companies; drug traffickers, I ask the following question: does the minister intend to protest against this kind of CIA activities that could take place in Canada under the cover of the CIA?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not aware of this advertisement, but I can inquire among my officials.

[*English*]

ADMINISTRATION OF JUSTICE

COURT ACTION BY INDIANS INVOLVING ATHABASCA TAR SANDS—DEPARTMENTAL INVOLVEMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary to one I asked earlier and is directed to the Minister of Justice. As the federal government has invested directly in the Athabasca tar sands by participating in Syncrude and as the Alberta Indian Association has filed a caveat against the tar sands, has the department involved itself directly or indirectly in the action in order to protect the federal government's investment in the tar sands?

Hon. Ron Basford (Minister of Justice): Yes, we have, Mr. Speaker. The Department of Justice acts as the legal adviser for the department headed by my colleague, the Minister of Indian Affairs and Northern Development.

* * *

HOUSE OF COMMONS

DATE OF BY-ELECTION IN ST. JOHN'S WEST

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is for the Acting Prime Minister and is supplementary to the question asked by the hon. member for Hochelaga. Has the government summoned its courage and is it prepared to call a by-election in St. John's West?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, no decision has been made in this respect, but not for lack of courage.

* * *

INQUIRY OF THE MINISTRY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister without Portfolio, the former minister of transport. Now that he is without a designated portfolio, we miss putting questions to him in the question period.

Some hon. Members: Hear, hear!

Mr. McKenzie: In order that we can direct questions to him in the future, will the hon. member tell us his duties in cabinet?

Hon. Jean Marchand (Minister without Portfolio): Mr. Speaker, as soon as I know I will tell the hon. member.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

MEASURE TO PREVENT COURTS OF APPEAL SUBSTITUTING CONVICTION FOR ACQUITTAL BY JURY

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-414, to amend the Criminal Code (appeals from jury acquittals).

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is to supplement Bill C-71, presently before the House, and delete the provision in the Criminal Code which allows the court of appeal to supersede the verdict of a jury. It would apply to victims now serving terms of imprisonment because they were convicted by a court of appeal after being acquitted by a jury. On passage of this bill, any such victim or victims would be released.

The right hon. gentleman from Prince Albert (Mr. Diefenbaker) has introduced a bill similar in intent and there is also government legislation before the House to amend the Criminal Code in the way I suggest. However, neither bill provides for the release of any victim or victims presently serving sentences of imprisonment. At present, only one person in Canada is in prison because of conviction by the court of appeal. He is Dr. Henry Morgentaler. This public bill would apply to that individual, he being the only person in Canada caught in such circumstances.

Mr. Speaker: I thought the hon. member for New Westminster (Mr. Leggatt) was doing very well until he reached the last paragraph. The Chair perhaps ought to reserve the right to scrutinize carefully the provisions of the bill before debate on it takes place, to make sure that it complies with the hon. member's description of it, which except for his last couple of sentences seemed to qualify it as a public bill. For the moment, therefore, the Chair will reserve the right to intervene later if it has any misgivings about the procedural regularity of the bill.

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

* * *

● (1500)

AIRPORTS

RENEWAL OF LEASE TO SKY SHOPS AT DORVAL—PRESENTATION OF PETITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, pursuant to Standing Order 67, I hereby present a petition relating to the renewal of the lease and concession at Montreal International Airport at Dorval between the Crown and Sky Shops Export Limited. The petitioners recite certain matters relating to the negotiations which took place for the renewal of this lease and concession which is to commence on December 1 next. The petitioners pray that this House inquire into such matters and that this House provide such remedy as this House may determine.

Housing

HOUSING

ANNOUNCEMENT OF FEDERAL ACTION PROGRAM

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I wish to outline to hon. members the federal housing action program, a series of measures designed to produce one million new housing units over the next four years, with a 1976 target of 235,000. The commitment of the federal government is to ensure production of the kind of good quality housing that lower and middle income Canadians need and can afford and, through these measures, to dampen inflation in the housing sector and stimulate economic growth and the creation of employment opportunities.

In order to achieve these objectives, the government will require private lending institutions to direct mortgage financing to lower and moderately priced new housing. In 1976, this will require an additional $750 million, for a total new housing market of $8 billion. The government will establish a monitoring committee to ensure this target is met. The government will require private lending institutions to restrict their low down payment—high ratio—lending to NHA regional loan limits, and these loan limits will be held down consistent with our price guidelines. We will make the Assisted Home Ownership Program—AHOP—available to any Canadian household of two or more people wanting to buy moderately-priced housing and to keep their monthly payments equivalent to those of an 8 per cent mortgage. The requirement of having at least one child is removed, enabling young couples to purchase a home before starting their family.

For people with children who need help to keep their monthly payments under 25 per cent of their income, grants, which are now a maximum of $600 a year, are increased to $750. For others, assistance will be in the form of a loan which will be interest-free for at least the first five years, and repayable with interest after that time or when the house is sold or refinanced upwards. The loan will be sufficient to cover the difference between market interest rates and interest at 8 per cent.

We will stimulate increased production of moderately-priced rental accommodation. The assisted rental program will make interest-free loans available to builders who will create rental housing at rents controlled by CMHC during the period of support of up to 15 years. Maximum annual loans to builders will be increased from $900 to $1,200 per unit to compensate for recent interest rate increases and to encourage supply. These loans will be recoverable. In addition, we will ask the House to approve continuation of the special capital cost allowance provisions for non-principal business rental entrepreneurs until December 31, 1977.

To improve the liquidity of mortgages as an investment, the government will make the federal Mortgage Exchange Corporation operational by April 1, 1976. To make moderate-cost housing development more attractive to municipalities, the government will make $1,000 per unit grants available to municipalities which approve medium density housing within regional AHOP and assisted rental price limits. The government will now make loans and grants available to municipalities for water treatment facilities and mains where they are needed to open up land for housing, on the same basis as assistance presently given to municipalities under the sewage treatment program for sanitary and storm sewers.

The eight-point program I have just enunciated, Mr. Speaker, is designed to fill the real needs of Canadians who are not suitably housed at the moment by providing them with access to housing they can afford. This will stimulate employment in the construction industry by creating 32,000 additional jobs in 1976. The entire four-year program involves more than a million man-years of employment.

One of the very real advantages of this program is that it directs more private capital into the moderately-priced residential mortgage market utilizing a minimum amount of taxpayers' dollars. This allows the federal government to direct its resources to Canadians in greatest need, such as senior citizens, native people, the handicapped, and others who are socially and economically deprived.

I would also like to inform hon. members that at the federal-provincial housing ministers' conference earlier today, I urged the provinces to institute rent controls consistent with the federal government's commitment to contain inflation and support new housing construction and, indeed, received that assurance. I have also asked my provincial colleagues to requires those lending institutions under provincial jurisdiction to increase their mortgage lending in line with the federal guidelines. I received that assurance.

I believe hon. members will agree that these long-range measures will enable the construction industry to marshall its resources for economic and competitive production in order to meet the most pressing needs of those Canadians who are finding difficulty acquiring adequate housing at reasonable cost under today's difficult conditions. I will be introducing legislation in the House in the very near future for the consideration of hon. members. Subject to legislative approval, the measures will be effective as of today.

Some hon. Members: Hear, hear!

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, let me say at the outset that we on this side of the House welcome any government initiative to stimulate the residential construction industry, particularly in view of the fact that moves taken by this government in the past 18 months have largely been responsible for the depression experienced by this very important sector of the economy. I was intrigued to hear the minister say that this program is designed to produce one million new units in the next four years. This House is very well aware of the minister's addiction to exaggeration.

Some hon. Members: Hear, hear!

Miss MacDonald: We all recall his prediction of a minimum of 210,000 starts this year. The record to date is 12 per cent off target. We all recall the $1 billion of private funds that AHOP was to attract for mortgages. The record to date is $66 million. We are all familiar with predictions that have never materialized; therefore, Mr. Speaker, you will forgive us if we are somewhat skeptical today regarding this latest prediction.

In his statement, the minister mentioned $750 million for new housing starts. If we were to be generous regarding that prediction and work it out, it would come to perhaps 25,000 units per year, or 100,000 units in four years—some 900,000 short of the target the minister mentioned. I am sure the minister will want to elaborate on this shortfall. Perhaps once again he will fall back on AHOP as the catch-all for everything he cannot determine otherwise.

Some of the measures which the minister put forward today are those which we on this side of the House have advocated for some time. We strongly pressed for legislation which would provide assistance for municipalities to increase the amount of serviced land available. I am glad to see that certain aspects of this have been dealt with. We have repeatedly urged the government to set up the Federal Mortgage Exchange Corporation. I remind the minister that the legislation enabling him to do so has been on the books for three years.

● (1510)

I find several basic shortcomings in the minister's program. First, these measures will not stimulate provision of the amount of mortgage funding required to finance the supply of new housing which is so vitally needed if the inflationary aspect of housing is to be reduced. New money to the extent of $750 million is not the answer to that deficiency. Second, there is nothing in the statement to deal with the major problem presented by the high interest rates which hundreds of thousands of Canadians have been obliged to assume in the last year—a burden which will almost certainly continue to weigh heavily for many years to come. Nowhere is there any indication that the government is prepared to take measures which come to grips with the fact that well over 30 per cent of the income of these individuals goes into financing home buying. Nowhere is there any sign of relief for those who are caught by high interest rates.

Then, again, apart from a brief reference to the minister's action in urging his provincial counterparts to institute rent controls, there is no indication in the statement as to the form and level of rent control the federal government considers appropriate to its over-all restraint program.

Finally, the program fails to deal with the necessity for continuity in housing policy. Instead, emphasis has been placed on unilateral housing programs by the federal government. Scarcely any reference is made to co-operation with the provinces, something which must play a major part in the direction of housing. Thus, I would say there is nothing original about these measures. We have had stepped-up programs, expanded programs and resurrected programs, but still no recognition by the government that adequate shelter is a basic, ongoing right of all Canadians.

Mr. John Gilbert (Broadview): Mr. Speaker, the New Democratic Party feels that the measures announced by the minister today are unimpressive and will do very little to solve the housing crisis in Canada. In fact, they constitute a typical attempt to appear to be doing something very dramatic while actually doing very little. One cannot deny that the measures will have some effect on the housing problems, but they will not strike at the main problems of housing today, namely, the high cost of land and high interest rates.

I was rather impressed with the statement by the minister when he said the target for the next four years would be one million homes, because as I recall, Mr. Speaker, back in 1970 the same government announced its target as being one million homes over five years. It may be said that they achieved one million homes over five years, but in achieving that target we have experienced the worst crisis in housing Canadians have ever known. That is because the government has used the same old approaches, and it is these approaches the minister announced today. We really need five main features: first, a steady flow of funds; second, a target for homes of a certain type; third, low interest rates; fourth, low land costs and assistance with the servicing of land; and fifth, rental guidelines.

With regard to a steady flow of funds, the minister stated we would require the financial institutions to direct a certain amount of their moneys to mortgage financing. We in the New Democratic Party have recommended this for a long time, and it is high time the minister took such an initiative. But the success of this initiative will depend upon the legislation the minister brings forth in parliament, because the financial institutions have been playing a game of yo-yo with housing in respect of their financial commitment in the past. Unless the minister is direct and forceful in the legislation, very little will be accomplished.

The target of one million homes over four years was mentioned. This will require the close co-operation of the federal government with the provincial governments and the municipalities. It really calls for a strong emphasis upon public housing, more especially rental public housing. It also requires an emphasis on co-operative and non-profit housing. Mr. Speaker, may I remind you that all the public housing we have today amounts to less than 2 per cent of our total housing starts. This indicates the necessity of action by the government.

To achieve the minister's target of one million homes, the minister has adopted a pandering or bended-knee approach to the builders, developers and financial institutions. For example, there are to be interest-free loans to builders who will create rental housing controlled by CMHC up to 15 years, and increased loans on rental units from $900 to $1,200 which the minister says is to compensate for recent increases and to encourage supply. Mr. Speaker, this is a rerun of the minister's legislation of 1974 on private, limited dividend housing where he gave builders generous interest rates and agreements for five years. All he is doing is rehashing and renewing in attempting to encourage builders to build more housing. What is needed is public, limited dividend housing, that is, public housing—more especially on the rental side—and increases in co-operative and non-co-operative housing where there is control over rents, repairs and services.

The minister also mentioned that he would prescribe lower interest rates in connection with Assisted Home Ownership Programs. The main item which is missing from the anti-inflation legislation is control of interest rates. This is what is really needed, because we see ever-escalating interest rates across the board in Canada. This is the type of action which has to be taken, because interest rates are the main component in the rising cost of

housing. I am not impressed with the suggestion of putting into line the Federal Mortgage Exchange Corporation by April, 1976. It will do nothing to bring down interest rates; it will just be doing what CMHC has done in the past. I am impressed with the minister's suggestion that there be grants to municipalities for water treatment and water mains, but the success of this initiative will depend upon the amount of funds allocated.

Finally, the minister told us in his statement that he had urged the provincial ministers of housing to implement rent controls along the guidelines set forth in the anti-inflation legislation. May I say that I do not think this is sufficient. What has to be achieved is a roll-back of rents. Rent review boards should be set up. It is not sufficient to tell landlords that they may increase their rents by only a certain percentage, because one has no idea of the increased costs they have experienced. I thought the minister would adopt the suggestion of the New Democratic Party in Ontario, roll back interest rates to January of this year and, at the most, allow a 6 per cent increase. Further increases by landlords should have to be justified before a rent review board.

There appears to be an absence of leadership in this legislation and there is an absence of meaningful programs. This will result in a continuance of the serious housing problems we have today.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I want to congratulate and to thank the minister who distributed copies of his statement in French. We received ours a few minutes before he made his statement and I thank him.

We of the Social Credit party find the minister is showing a lot of good will. There are seven reasons that prompt us to say so. First of all, the minister states that he will pour more money into low cost housing. I feel this gesture on the government's part is praiseworthy. I notice also in the minister's statement that from now on it will no longer be required to have a child to obtain the reimbursement of the interest rate. The minister is also giving a chance to municipalities in respect of services related to low cost houses, especially single dwellings. I believe this is a step forward and again I congratulate the minister.

As regards interest rates and the establishment of the Federal Mortgage Exchange Corporation, the minister said that it will be set up by April 1 at the latest. For this, we must wait for the legislation. I should like to see it determine an interest rate which is reasonable and limited, especially for medium-priced housing.

In a speech I made last year, I asked for larger grants to compensate for recent mortgage rate hikes. However, if the mortgage rate under the new legislation is prohibitive or unduly high, these $1,200 will certainly fail to bring about the expected results.

Moreover, I should like to bring to the minister's attention the fact that at a federal-provincial conference this morning, he suggested to his provincial counterparts that provinces should set up rent controls.

In the province of Quebec, we have had a great many difficulties with the Quebec Housing Act, the Quebec Housing Corporation and the CMHC. But above all, I should encourage the minister to meet more often with his provincial counterparts, especially as regards Quebec, to obtain positive results.

By way of a conclusion, I should like to express the hope, on behalf of the Social Credit Party of Canada, that the minister will introduce this bill and make every effort to bring down mortgage rates in line with standards of quality and price.

● (1520)

[*English*]

Miss MacDonald: Mr. Speaker, I should like to ask the minister whether he would give the House an estimate of the total cost of the program in a full fiscal year. Particularly so far as the 1976-77 fiscal year is concerned, how much of this cost is new housing money as opposed simply to a specific allocation of the funds committed in the June 23 budget?

Mr. Danson: Mr. Speaker, I think the hon. member has really missed the thrust of the whole program. There is substantial additional funding here. The 1976 capital budget has not yet been set. What hon. members have failed to grasp is that there is a direction to the lending institutions to increase their lending for low-cost housing at rates which people can afford. This will be done on a massive scale and will introduce some $750 million of new funding into the program, but for low-cost, good quality housing.

There are, of course, additional federal expenditures of a major type. I cannot give exact figures because the capital budget is not approved, but this will free-up—there is a significant increase over last year—hundreds of millions of dollars to enrich and enhance programs of public housing, non-profit housing, co-operative housing, senior citizens' housing, native housing, and programs for many other sectors that need to be well served.

Miss MacDonald: A supplementary question, Mr. Speaker. Perhaps the minister would elaborate on how he proposes to require this mortgage financing to be directed to new, lower and moderately-priced housing. Secondly, can he tell the House what assurances he has in fact that $8 billion will be available next year to finance new housing construction? Can the minister assure the House right now that he has those commitments from the financial institutions?

Mr. Danson: Mr. Speaker, may I first of all correct the statement the hon. member made a little earlier regarding the amount of money lent on a voluntary basis simply because we established the program. There has been some $300 million within the last several weeks. However, this program gives the Minister of Finance power to require the lending institutions to lend this money. It is not being done legislatively. By practice it has been done by indicating the wishes of government. If necessary, however, legislation will be forthcoming. We do not expect this will be necessary because various lending institutions lend in different ways.

We are not trying to disturb the investment patterns of capital markets; we are saying that we need additional funds and we need them at the rate of 14 per cent above previous commitments. If more than 14 per cent is

required, then we will make this a requirement too. The situation will be monitored by a monitoring committee, in co-operation with the provinces and the provincial, chartered lending institutions. I think the provincial ministers have seen the excellence of this program, if hon. members opposite do not.

Mr. Marshall: A supplementary question, Mr. Speaker. Since the minister indicated that he is removing the restriction that a couple has to have a child or more to qualify under AHOP, is the minister going to remove the same restriction on the purchase of existing homes? Since he is also freeing so much funding, is it his intention to increase funding from the government for rehabilitation purposes, which is so important to many hundreds of thousands of people of low income in this country?

Mr. Danson: Yes, Mr. Speaker. In so far as existing housing is concerned, we do not intend to seek legislative authority at this time in making that offer. We feel that all the funding that can be channelled into new residential construction is the best use of our resources. If we have an excess, then we can apply it to existing housing; but for the moment our policy remains that of increasing housing supply in a major way. All our programs, of course, will be greatly enriched by the fact that the lending institutions are now being directed.

Mr. Marshall: On a point of clarification, Mr. Speaker, will the legislation provide that certain amounts of money will be allocated to boost the rehabilitation aspects of NIP and the rural native housing program?

Mr. Danson: No, Mr. Speaker, that is not in the legislation; it is in the capital budget of Central Mortgage and Housing Corporation.

Mr. Brewin: Mr. Speaker, I want to follow up the question raised by the hon. member for Kingston and the Islands. I am very interested in the proposal to require financial institutions to lend money for this program. Did I rightly understand the minister to say that in the proposed legislation that requires financial institutions to advance money for this purpose, there will not in fact be, at least initially, any mandatory provision; that it will be left simply to telling these institutions what the government wants?

Mr. Danson: Mr. Speaker, we feel that this is a much better way to do it. When they are advised that that is the wish of the government, then I know of no occasion when they have not followed this kind of requirement. If legislation is necessary, of course, it will follow; that is quite clearly understood. The advantage of doing it this way is that in legislation one must specify a certain percentage of investment portfolios. We think that rather than be legislated in this way, the lending institutions would prefer to be co-operative in making certain that we get our total dollar requirement.

We must remember that banks have many different practices. Trust companies and life insurance companies are different types of savers and lenders. So rather than get into this sort of distortion of the capital market, I am confident that this program will have its intended effect. If that turns out not to be the case, legislation will have to follow; but there is no question in my mind that that will not be necessary.

Mr. Brewin: A supplementary question, Mr. Speaker. I should like to make a passing observation. I thought the minister had already asked the mortgage companies to do this sort of thing, without much success. My last question is this: At what interest rate will these financial institutions be required to advance money for this purpose? Will it be the current interest rate, or some reduced interest rate?

● (1530)

Mr. Danson: Mr. Speaker, it will be at the conventional interest rates at the lower end of that market, as is the case with our CMHC program, It is from there that we subsidize the rates down equivalent to 8 per cent, and even with grants below that which bring the effective rates much lower.

Mr. Darling: Mr. Speaker, perhaps I might direct a question to the minister. Will he say whether the program involving grants and loans to municipalities is to be administered through the provinces; and, further, is there to be any incentive offered municipalities to process applications for housing developments within a given period of time, in order to remove one of the most serious bottlenecks within the whole housing construction process?

Mr. Danson: Yes, Mr. Speaker, I agree with the hon. member that this is one of the most serious bottlenecks, outside of perhaps the rate of interest itself. The grant will not be processed through the provinces; it will be made in consultation with the provinces. It is directly because CMHC will retain monitoring over that to make certain that the type of product it is supposed to subsidize is delivered—in other words, low-cost, compact housing or housing in forms that people can afford, and of good quality. We will reach agreement with the provinces on the form that is to take and it will be placed directly by the federal government, as indeed it is with several of our programs.

In so far as the second part of the hon. member's question is concerned, we discussed this matter with provincial housing ministers this morning. They recognize the urgency of this question and are making every effort to shorten the period. The matter has been left directly with the provinces because, as the hon. member knows, the provincial ministers have been very supportive in this regard.

Mr. Darling: Mr. Speaker, did the minister put before the provincial housing ministers the form and level of rent control which the federal government considers to be most appropriate to its over-all restraint program, and will he tell us what that level or guideline is?

Mr. Danson: Mr. Speaker, the provincial ministers of housing and officials of the Department of Consumer and Corporate Affairs discussed this matter at quite considerable length this morning, that is, if these will be provincially-implemented programs. Our senior officials are meeting at this moment, following the meeting we had earlier today, to work out the parameters. We will be

meeting again, I expect, within the next ten days or two weeks, when we will be able to set out the broad parameters which will apply right across the country, but implemented in a way that is useful to the individual provinces.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, could the minister tell us whether this Federal Mortgage Exchange Corporation referred to in the legislation will be under the responsibility of the Central Mortgage and Housing Corporation? If so, will any individual be able to invest in this Mortgage Exchange Corporation at a previously set rate for the whole term of the mortgage investment?

[*English*]

Mr. Danson: Mr. Speaker, the legislation for the Federal Mortgage Exchange Corporation was passed some time ago. This is not for direct investment to individuals, but it makes the mortgage instrument far more liquid and far more attractive to investors, particularly non-traditional investors. Massive pools of capital are available through pension funds, for instance, and I am sure my hon. friends in the NDP would not want to see them take interest rates lower than they can get. So it makes it a more attractive instrument in that respect. It also makes far more attractive the mortgage investment corporations which had legislation passed at the same time. It really creates a secondary market for mortgages. It will create a lot more activity. It will make investment more attractive and will have an influence in bringing down interest rates on household mortgages.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, the minister has not answered my question which was as follows: will the ordinary individual, the one who makes investments, have the chance to invest in this Federal Mortgage Exchange Corporation set up to build housing? If so, will this investment be guaranteed by the Central Mortgage and Housing Corporation and will the interest rate be previously set for the term of the mortgage?

[*English*]

Mr. Danson: No, Mr. Speaker, it is actually a secondary market, a sort of wholesaling operation for mortgages so that people can buy mortgages knowing they are liquid, and they can resell to the Federal Mortgage Exchange Corporation; or, indeed, they can buy from that corporation. In CMHC alone we have a substantial portfolio of mortgages which can be used and wholesaled there. So it is not a direct investment for the individual, although it makes investment for the individual much more attractive whether he or she does it through conventional channels or not.

I want to reiterate the connection with regard to the mortgage investment corporation which is a tax conduit for small investors who want to invest in mortgages. It is specifically for mortgages and the corporation taxes; full benefits flow through to the individual and it becomes a much more attractive investment for household mortgages. It should attract capital from many sources. I mentioned pension funds specifically because they have not been active in this field. This proposal makes it a much more attractive field for them to get into.

[Mr. Danson.]

Mr. Speaker: Order, please. Keeping in mind those hon. members who were seeking the floor at the conclusion of the minister's statement, and not wanting unduly to restrict the questioning, I wonder if I might have the co-operation of hon. members in putting one rather comprehensive question rather than restricting hon. members who were seeking to be recognized? Perhaps the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), the hon. member for Regina East (Mr. Balfour), the hon. member for Winnipeg South Centre (Mr. McKenzie), and the hon. member for Cape Breton-East Richmond (Mr. Hogan) would each put one comprehensive question so that we may conclude the matter on that basis.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question to the minister is a rather direct one. In view of the fact that the program enunciated by the minister today is inflationary and in complete contradiction to what the government is supposed to be doing to fight inflation, has the minister's department put any proposal to him that, instead of getting at this problem in the inflationary manner he is adopting—and I mean getting at the basic problem that 75 per cent of the cost of housing today is in the form of interest payments—he should try to figure out some way of reducing interest rates, not by negative and inflationary policies of subsidy but by making the capital circulate faster? Were any proposals of that sort put before the minister?

Mr. Danson: Yes, Mr. Speaker, there were several proposals. We examined virtually every option that exists and found this to be the most cost-effective, anti-inflationary measure that could be introduced. I hardly consider it inflationary when we talk only about low-cost loans for moderate income families, reducing the carrying charges for them and increasing employment by creating 32,000 new jobs this year. If that is inflation, it is the sort of inflation we need more of—that is, a million man-years over the period of four years—making certain that the capital resources of this country are used for the benefit of the people who can least afford to take advantage of them, and having a disincentive for those inflationary factors involved in building expensive houses on large lots.

Mr. Balfour: Mr. Speaker, in respect of the capital cost allowance provisions applicable to rental entrepreneurs, is the minister prepared to give any undertaking regarding the duration of this provision, and does the measure apply to corporate as well as non-corporate entrepreneurs?

Mr. Danson: Mr. Speaker, as long as they are already in that business they are getting capital allowance at the present time. This special provision is for those who do not. I believe I am correct in saying this applies to corporate investors as well. You must excuse me; I just have to check that point. It is really trying to attract pools of capital from small investors who are not in that market at the present time. The period has been extended to December 31, 1977.

Mr. McKenzie: Mr. Speaker, my question to the minister refers to the letters he sent to the banks and financial institutions earlier this year. Can he inform the House what type of response he received at that time, and how much in funds was allotted? I should like to point out to him that the president of Monarch Life stated that the

housing slowdown is mainly due to lack of housing projects being brought forward by builders and developers. He also stated that they could only lend mortgage money on what is presented to them as opportunities. Would the minister inform us how much money was provided at that time?

● (1540)

Mr. Danson: Yes, Mr. Speaker. That was advice to the lending institutions concerning a program; it was not a requirement, as is the case now. In the last several years—my information was received about August—the latest information I have is that the funds invested by private investors under the limited dividend, AHOP, and rental programs have been in excess of $300 million, mostly going into rental accommodation. But even with that we are not satisfied. We must have more certainty in what we are trying to establish this year, in respect of continuity in the market, so that builders can plan for four years and municipalities and provinces can plan. Through that we can achieve the economies of scale necessary to gear up for production in a competitive situation, and get prices and costs down. This is a major part of our program, so that people in the building trades will know where they are going for the next several years: I think this is the most important element.

This matter also preoccupied this morning the provincial ministers with whom I have been working over the past year. I think this proposal reflects their view as much as it does that of the federal government. It is a very important issue and has their strong support.

Mr. Hogan: Mr. Speaker, James Lorimer, a Toronto urban affairs analyst, said in a brief to the royal commission on corporate concentration that land speculation profits are responsible for 24 per cent of the cost of a new house in metro Toronto. He asked what the government intended to do about speculation profits. Mr. Lorimer's study criticizes 24 large developments, first for holding more than 41,000 acres of land in and around metro Toronto in 1973, and second for selling their holdings very slowly to a relatively small number of high income buyers who can afford the prices they set.

Did the minister, in his meetings with the provincial ministers this morning, recommend that they enact tough legislation to control this form of land control speculation, and did he—as he did not do this afternoon—recommend that more effective funds be set aside for land assembly in the provinces?

Mr. Danson: Mr. Speaker, there will be more funds for land assembly, but particularly important here are services within that land. We have added a new dimension to that by adding water mains and water treatment facilities which will be very much welcomed. The principal problem is one of getting this land on the market.

Although the Lorimer study is interesting, the whole question of land speculation is not addressed specifically in this set of proposals. However, it is one that the Minister of Finance and myself are looking at very seriously. It would appear at this time that the heat has been taken out of the speculation itself. The real problem is getting the serviced land and approvals for the lower-cost type of housing to which this program is directed. They cannot get the funding and approvals unless they go into the type of lower-cost housing we believe Canadians want and need today and which we are determined to supply.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,122, 3,126, 3,127.

[*Text*]

BROCHURE ON ST. LAWRENCE ISLANDS NATIONAL PARK

Question No. 3,122—**Mr. Cossitt:**

1. Did the Department of Indian Affairs and Northern Development through Parks Canada print a brochure showing rates etc. applying to those using the St. Lawrence Islands National Park and, if so (a) who printed it (b) how many copies were printed (c) what was the cost?

2. Were all such brochures destroyed by fire at Mallorytown Landing Headquarters of the St. Lawrence Islands National Park and, if so (a) on what date (b) on whose instructions (c) for what reason?

3. Was a further brochure printed and, if so (a) on what date (b) by whom (c) on whose instructions (d) at what cost (e) was one of the reasons for such reprinting that public pressure had convinced the government to change the original rates introduced?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Yes. (a) Canadian Government Printing Bureau; Astro Graphics of Cornwall; (b) 125,000 for all National Parks and National Historic Parks in Ontario. 2,000 (preliminary version for early distribution); (c) $2,399; $33.60.

2. No.

3. Yes. (a) July 28, 1975; (b) Canadian Government Printing Bureau; (c) Acting Director, Ontario Region; (d) $2,343.52; (e) No.

ENGLISH LANGUAGE SIGNS—LESTER B. PEARSON BUILDING

Question No. 3,126—**Mr. Cossitt:**

Have English language signs recently disappeared from the Lester B. Pearson Building occupied by the Department of External Affairs and, if so (a) were they removed by persons unknown (b) were they removed under direct instructions (c) by whom were such instructions given (d) did Mr. Marcel Roussin have any connection with this matter (e) what was such connection?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned, the answer is yes, a few signs have recently disappeared from the Lester B. Pearson Building. The replies to the other questions are as follows: (a) Yes; (b) No; (c) No such instructions were given; (d) No; (e) See (d).

Order Paper Questions

PROPOSED EXPANSION OF ST. LAWRENCE ISLANDS NATIONAL PARK

Question No. 3,127—**Mr. Cossitt:**

1. Did the Department of Indian Affairs and Northern Development announce that it will spend $30 million on the expansion of the St. Lawrence Islands National Park and, if so, will such expansion involve the purchase of large amounts of additional land?

2. Will the government consider making grants in lieu of taxes to the various rural townships in the area in which such properties will be located because of the tremendous property tax losses these townships will suffer as a result of such government purchases?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Yes. The expansion is expected to increase the Park area considerably, but the Park will remain small in comparison to most other National Parks.

2. Under the Municipal Tax Act, grants in lieu of taxes may be made on application to the Municipal Grants Division, Department of Finance.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 1847 could be made an order for return, this return would be tabled immediately. I also ask the unanimous consent of the House to table immediately the information already communicated to us. The other information will be tabled as soon as it is provided to me.

[*Text*]

DEPARTMENTAL CONTRIBUTIONS TO INTERNATIONAL FESTIVAL OF FRANCOPHONE YOUTH

Question No. 1,847—**Mr. Schumacher:**

1. How many departments contributed in any way to the International Festival of Francophone Youth held in Quebec, August 1974?

2. By department, what assistance was given (a) of a financial nature and what was the breakdown by item (b) in services and, in each case, what was (i) the nature of such services (ii) the breakdown of costs of such services?

3. By department, how many personnel provided assistance in any way and, in each case, what was (a) their position in the department (b) their salary range (c) the nature of their involvement (d) the period during which they were involved?

4. By department and by individual, was any remuneration paid, in addition to regular salary for (a) travelling (b) accommodation (c) meals (d) local transportation (e) *per diem* expenses and, in each case, what was the amount?

Return tabled.

* * *

[*Translation*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 3,135?

Because of the length and nature of the answer to the question, I wonder if I could get the permission of the House to have it printed in *Hansard* as if it had been read?

[Mr. MacEachen.]

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The above answer reads as follows:*]

[*Text*]

*PERSONNEL ASSIGNED TO MR. PIERRE JUNEAU DURING PERIOD AUGUST 29, 1975 TO OCTOBER 14, 1975

Question No. 3,135—**Mr. Clark (Rocky Mountain):**

1. What individuals were employed in or by, or assigned to, the personal office of Mr. Pierre Juneau during the period August 29, 1975 to October 14, 1975 inclusive and what was the total amount of money paid to each?

2. In each case (a) on what occasions and for what specific purposes did they travel to Montreal (b) what was the total cost of (i) travel (ii) accommodation (iii) other expenses?

1. Name	Salary Scale	Position
McDonald, P.	to $25,000	Principal Secretary
Burelle, A.	to $21,000	Special Assistant
Strasbourg, S.	to $21,000	Special Assistant
Baril, A.	to $21,000	Special Assistant
Bujold, R.	to $21,000	Special Assistant
Matteau, L.	to $21,000	Special Assistant
Tremblay, C.	$11,340 — $12,409	Cr-6
Calcutt, L.	to $14,500	Sec.-correspondence
Parent, J.	to $14,500	Sec. to assistant
Pilon, M.	to $14,500	Assistant-Sec.
Garvin, M.	$10,532 — $11,519	St-Sec 4
Brisson, G.	$ 8,324 — $ 9,097	St-Sec 2
Spencer, M.	$ 8,360 — $ 9,136	CR-3
Lavictoire, C.	$4.83/hr	GL MDO-6

2. Name	(a) Purpose
McDonald, P.	To ensure liaison between Ottawa and Montreal offices
Baril, A.	To ensure liaison between Ottawa and Montreal offices
Calcutt, L.	To ensure liaison between Ottawa and Montreal offices

(i) Travel	(ii) Accommodation	(iii) Other Expenses
$348.31	$ 61.00	$250.96
74.80	116.23	125.44
15.35	—	—

[*Translation*]

Mr. Speaker: Are the remaining questions allowed to stand?

Some hon. Members: Agreed.

HOUSE OF COMMONS

[*English*]

ANSWERS GIVEN TO QUESTIONS PLACED ON ORDER PAPER

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a point of order at the first opportunity in respect of order paper question No. 3119, and the answer thereto. The question itself was as follows:

Did the Prime Minister say at the opening of the new Mirabel airport: "The Torontonians will be down on their knees" and, if so

(a) for what reason did he make the statement

(b) what is the full meaning of the statement

(c) was it meant as a public affront to the people of Ontario, and Toronto in particular?

The answer given by the government was as follows:

See Beauchesne's Parliamentary Rules and Forms, Citation 171 (e).

This citation, at page 147, states that a question, oral or written, must not seek, for purposes of argument, information on a matter of past history. It is my view, Mr. Speaker, that the Prime Minister (Mr. Trudeau) and the President of the Privy Council (Mr. Sharp) have recently been using references from Beauchesne's that do not accurately apply to the questions involved and this, I submit, is a case in point. I bring this matter up, Mr. Speaker, because I firmly believe that if the procedure is allowed to continue, a mockery will be made of the right of members of this House to put questions to the government.

At the opening of Mirabel airport, the Prime Minister made a very serious statement: "Torontonians will be down here on their knees". As a result, it would seem to me that there is no legitimate reason, nor any ruling in Beauchesne's, which prohibits a member of this House from questioning the Prime Minister on such a statement. Accordingly, I asked the Prime Minister for what reason he made this statement and I also asked him the full meaning of the statement. In reply, a section of Beauchesne's is quoted which prohibits seeking an answer for "purposes of argument".

I respectfully submit, Mr. Speaker, that the question had nothing to do with "purposes of argument". It certainly did have something to do with the right of a member to receive clarification of a statement by the Prime Minister at least in so far as whether it is the policy of his government to create a situation where Torontonians will be running to Mirabel to get down on their knees in front of him, and to know the reasons for such a statement, the meaning of such a statement and, in effect, whether or not it represents government policy. Now, this question also was rejected by the government by the use of a further quotation from Beauchesne's.

Mr. Speaker: Order, please. I do not want to restrict the hon. member in raising what may appear to him to be a point of order. The fact of the matter is that it is well known, without the citations from Beauschesne's to which he has referred, that the rules provide no obligation to make an answer to questions put by hon. members. That citation and that precedent certainly are well known to all members of the House. Whether or not an hon. member is satisfied with the answer he receives or the reason for not receiving an answer, that may be a subject of debate or comment which the hon. member may wish to make at the appropriate time.

I am simply saying to the hon. member that unless he can depart in some way from his present line of argument, he will be unable to satisfy the Chair that there is a point of order involved in the points he has.

Mr. Cossitt: Mr. Speaker, I quite agree, as I was about to point out in this statement, that a minister is not obliged to answer a question, nor is he obliged to answer a question in such a way that I, as a member of the opposition—or any other member of this House—have a right to question it in so far as the substance of the answer is concerned.

But I think we are dealing here with a different point. I am trying to illustrate that it is not a case of my disagreeing with the answer, as an individual member. Rather, it is a case of the rules being used in such a way as to be a misuse of the rules. If I could continue for a moment, I think I can illustrate the point I am trying to make. For instance, it was also rejected on the ground, quoting again from Beauchesne's, that it is "information on matter of past history".

I find it impossible to see how the conclusion can be arrived at that such a statement by the Prime Minister, made only a day or so before I put the question, has already become something of an historical nature. Indeed, if the government is going to invoke this particular section of Beauchesne's, then it becomes impossible for a member of this House to question anything the Prime Minister says anywhere in so far as it concerns government policy, because apparently this government has now elevated all utterances of the Prime Minister to the historical level.

I would like to make one further reference to the answer given to another question, namely, question No. 2,328 which asks for details concerning the cost to taxpayers of the trip made to London, Paris, and Brussels for a period of 36 days by Mr. Michael Pitfield who is now secretary to the cabinet and clerk of the Privy Council. The government answered, properly and correctly, that the cost of the trip to the taxpayers was a certain number of dollars. It answered, properly and correctly, as to who was the person authorizing the trip. But the third part of the question, asking in what ways the taxpayers benefited from the expenditure of public funds, was ruled out again by quoting Beauchesne's Parliamentary Rules and Forms, citation 171 (b), which reads "trivial, vague, or meaningless".

● (1550)

I submit this is, again, an example of the misuse of the rules of the House. If Mr. Pitfield travels to Europe for 36 days at public expense, then it seems to me a member of the House has the privilege of asking in what ways such a trip was of benefit to Canadian taxpayers, who paid for it. It is a misapplication of citation 171(b) of Beauchesne's because there is certainly nothing trivial about expenditures of public funds by a public servant, there is nothing vague about directly requesting to know in what way the taxpayers benefited from such expenditures, and for the government to further imply that the question is meaningless is, I believe, an insult to the taxpayers who paid for the trip.

In conclusion, if the Prime Minister is going to make unclear statements about the people of a city such as Toronto, if the Prime Minister's high ranking officials in the civil service are going to spend public money to travel hither and yon, then I submit there is nothing to prohibit a member of this House questioning such matters and stating that the government has started a dangerous program of misusing precedents of the House to block an answer to these questions.

Finally, I fully realize—as you so rightly pointed out a moment ago, sir—that under the rules of the House, ministers are not obliged to answer questions. I also realize that a member of the House has no recourse against the substance of an answer to a question with which he disagrees. But I believe it is a legitimate point of order when the government misuses the rules of the House to protect itself from having to explain the truth to the elected representatives of the people, and if this process continues I hope that the Chair will then take the matter under examination.

Mr. Speaker: Order, please. The hon. member has raised a point of order concerning answers made by the government to questions, and has already pointed out—as I said a moment ago—that there is no obligation upon the government to answer questions put on the order paper. The Chair will examine the argument put forward by the hon. member to see whether in fact there has been a misuse of the precedents in the answer that has been given. But it seems to the Chair, at the outset, that two things are clear. The first is that if there is anything wrong with making an improper allusion to precedents in failing to make an answer, it is difficult to know if it would establish a point of order, because this gets us back to the point of whether there is an obligation to answer the question in the first place.

In the second place, the hon. member for Leeds (Mr. Cossitt), in addition to seeking information also sought the opinion of the government on whether taxpayers were going to benefit from a certain trip, and what was the meaning of the statement made by the Prime Minister. In both these cases there is certainly ground, not so much for information but for an expression of opinion, for a description or for an impression of the person who happens to be answering the question. The difficulty into which I do not want to enter is that since there is no obligation on the government to answer questions, there is a tendency on the part of the Chair to allow wide latitude in questions that hon. members put on the order paper.

If we are to be extremely technical about one side of the matter, it is obvious the Chair will have the obligation to be extremely technical about the other side and will have to take a firm hand in ruling out those questions which are in some ways out of order. The Chair does intervene and examines the questions in a cursory way to try to weed out those that are obviously out of order. I do not think hon. members would want the Chair to intervene frequently and take a hard line in respect of questions put on the order paper, but that might be the logical result of becoming too technical on both sides.

In any case, I will endeavour to examine the arguments put forward by the hon. member to see whether or not a valid point of order exists.

[Mr. Cossitt.]

GOVERNMENT ORDERS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed from Wednesday, October 29, consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, the debate on Bill C-69, to amend the Unemployment Insurance Act, has continued to give rise, since we adjourned the debate, to many comments, in both written and electronic media, and no doubt many Canadians have continued to take interest in this vital question.

Mr. Speaker, I would like to resume the discussion this afternoon on the provisions of the bill which exclude persons who are 65 from unemployment insurance benefits. The act through which unemployment insurance was adopted was intended, essentially, to achieve two objectives: the first, to protect the worker's income; the second, to encourage the unemployed to reintegrate the work force.

The Unemployment Insurance Commission learned from experience in the last few years that a large number of workers, 65 or over, do not make the effort, do not give themselves the trouble of finding and keeping a job, that workers in other categories are required to do. I have mentioned before in this House that the inquiries of Statistics Canada in past years have proved that at least half of the unemployed of 65 or more who collect unemployment insurance make no effort, or no visible effort to go back to work and that, as a corollary to this fact, civil servants and unemployment insurance inspectors have quite a hard time applying, as strictly as they should, the rules governing the efforts and steps which a temporarily unemployed worker should make to go back to work.

So we have a difficult situation where, on the one side, it is extremely difficult for controllers to force a worker of 65 to take the necessary steps to find employment and on the other side, where a number of workers who are 65 or more are not really willing to reintegrate the labour market, and this is lamentable.

The solution put forward in the legislation is fairly simple. It is aimed at excluding simply all workers who are 65 or more. The reasons for this exclusion stem mainly from measures passed by the government in recent years, and more particularly since 1952, since the adoption of the old age security plan. Now, we note this astonishing and satisfying fact, Mr. Speaker, that the retired persons, people who are 65 or more, have up to now been able to face the rise in the cost of living thanks to the pensions they could get from the old age security plan, the guaranteed income supplement, the Quebec Pension Plan and the Canada Pension Plan. These different programs seem to have been clearly sufficient to maintain the purchasing power of retired people, of those who are 65 or more.

I do not invent this statement, Mr. Speaker, nor do I take it from government documents whose credibility could certainly be challenged. One could surely question the

arguments of the government if I asserted, on the strenght of governmental studies, that Canadian pensioners, citizens of 65 or over, have been able up to now to meet the cost of living increase. That statement, Mr. Speaker, is extracted from a study by the firm Towers, Perrin, Foster and Crosby, which has a branch in New York and has done a similar study on the American market.

It is clearly indicated in this study that higher old age security pensions and allowances, the indexing of allowances, and increases in the guaranteed income supplement allow the Canadian pensioner to benefit from income support which puts him in a position nearly 100 per cent better than in 1952. Indeed the financial position of senior citizens has greatly improved in Canada thanks to the adjustments the federal government made through the Quebec Pension Plan and the Canada Pension Plan. When the Canada Pension Plan was introduced by the federal government in 1952, a pensioner aged 70 was entitled to a monthly allowance of $40.

Those who were the first to benefit under this plan are now entitled, provided of course they are still alive, to $125.76 a month, that is 214 per cent above what they received in 1952. From 1952 to 1975, the increase in consumer prices has been 101.3 per cent. Which means, Mr. Speaker, that between 1952 and 1975, on the whole, the position of senior citizens, the position of those Canadians who have received old age pensions has significantly improved. Therefore the real purchasing power of the Canadian pensioner has jumped 50 per cent, since what he could buy in 1952 for $40 costs about $80 in 1975.

The survey by Towers, Perrin, Foster and Crosby on the comparative increases in the prices of rent, food, clothing and related needs, infers that not only did the first years of the Canada Pension Plan allow people to catch up with the rise in the cost of living, but also paved the way for improved living standards. So the basic pension which amounted to $40 a month in 1952 rose to $55 six years later and to $75 after the 1963 amendments. In other words, since the indexation of old age security, the claimant, the Canadian pensioner, gets a revenue supplement which allows him to live twice better than the 1952 pensioner. But since the establishment of the Quebec Pension Plan and the Canada Pension Plan, other benefits are paid, besides old age security.

The findings of this study on the American market are nearly identical. Indeed, the pensions paid to the American pensioner have been increasing steadily and show that the current revenue of the American pensioner is in line with what the Canadian pensioner gets. However, Mr. Speaker, anomalies still continue to exist which allow us to think that the proposed amendments in Bill C-69 are not enough. Indeed, the calculation of the income supplement as done by the Quebec Department of Social Affairs indicates a basic inequality.

Indeed, instead of taking the special needs supplement, the amounts of $219 a month paid out as old age pensions and the guaranteed income supplement as a base, the Quebec Department of Social Affairs takes $195 as a basic figure and adds the additional amounts which may be calculated for special needs. That means that every Canadian pensioner who gets the guaranteed income supplement in addition to the old age pension is relieved of an amount of $28 for all special needs, or for any test of special needs he can prove to appropriate institutions. Thus, a retired Canadian who lives in Quebec and must claim additional needs in terms of medical care, in terms of related care, must have his guaranteed income supplement cut by $28 before he can get an additional amount.

The situations to which this calculation can lead give staggering results. For example, a couple aged 80 who get $349 a month as their pension and guaranteed income, the husband being blind and an amputee, is not entitled to a supplement from the Quebec Department of Social Affairs before they spend virtually all allowances they get to support their primary needs. I think, Mr. Speaker, that if the income supplement is to be reviewed, if the legislation affecting the retired is to be reviewed, those anomalies that exist now in respect of related needs should be corrected.

Mr. Speaker, another anomaly still continues to exist and it was corrected in part by federal legislation. It has to do with that application of the means test to people who come under the Quebec Pension Plan. In a previous amendment the Parliament of Canada did away with what the legal jargon called the means test. At the present time, anyone who applies for a pension under the Canada Pension Plan does not have to submit to a means test to get a pension, to get the maximum pension. This government, this Parliament, are the ones which in the last few months did away with the application of a criterion that no longer corresponded with the true situation of Canadian pensioners.

Now, the Quebec Pension Plan still provides for a means test which contributes to perpetuate this inequality added to the other needs I mentioned earlier.

Consequently, Mr. Speaker, if the Canadian pensioners throughout the country are to be on an equal footing, we must make sure that all the income support provisions of the various programs give similar results.

Some colleagues have pointed out that the number of claimants now eligible for benefits as of January 1, 1976 would total from 20,000 to 25,000 and that to this cumulative number would be added from 10,000 to 15,000 claimants during 1976. This means, Mr. Speaker, that if the provisions of the bill were passed word for word by the House, some 40,000 Canadian claimants would not be covered by unemployment insurance.

Mr. Speaker, I mentioned at the beginning of my remarks that the object of unemployment insurance was to protect the income of workers. Now, the amendments before the House are designed to deprive a 65 year-old worker of the protection of his right to work. It is not true, as pointed out by the hon. member for Lotbinière (Mr. Fortin), that the bill is aimed at depriving people of 65 of the right to work. I think that no Canadian law could, in a free economy such as ours, abolish the individual right to work.

This bill removes rather the protection of the right to work. Now, we must ask ourselves at this stage, following the inquiries made by Statistics Canada, whether those figures are sufficient to prompt us to stop protecting the right to work of workers between 65 and 70, a right which was recognized in the 1971 bill.

Some editorial writers and some previous speakers have shown that the philosophy of most government programs now designed for older persons aims at integrating them into community activities. The budget of programs such as New Horizons has tripled in the last two years, precisely with a view to integrating Canadian pensioners into community activities. These programs have been very successful, and nobody would think of excluding from them citizens of 55 or 50.

The eligibility criteria has been greatly extended and a large number of Canadians nearing 50 take advantage of these programs.

It would be illogical at this time when there is an attempt to integrate pensioners into community activities, to exclude without exception the pensioners who wish to remain in the labour force.

● (1600)

Undeniably a person who has reached age 65 and quit his job, either because the clauses of a collective agreement force him to retire or because, being 67 years old he has decided to retire, cannot logically be still subsidized by Canadian taxpayers through a plan aimed first of all at protecting the right to work of people who do not want to be on the labour market.

On the other hand it would be illogical to exclude out of hand all citizens aged 65 who still have the energy, the capability and most of all are available for work. There are Canadian businesses whose manpower reserves are mostly people over 60. How would they be affected if the pensionable age was lowered to 60? My hon. colleagues in the opposition have often pointed out that lowering the age of eligibility for old age security would result in freeing a certain number of jobs and therefore absorbing some unemployed whose number is much too great in the present economic conditions.

I believe there is a middle course that would allow us to maintain within our laws the protection of the right to work for all pensioners or 65 year old people. I think that a Canadian of 65 should have the choice either to remain in the labour force and keep paying unemployment insurance contributions or simply to opt out of the unemployment insurance plan. Our legislation has never given the Canadian worker the option of withdrawing from the unemployment insurance system. It was a compulsory universal plan which was supposed to apply to all Canadian workers without exception.

The government proposal aims at excluding from the scheme all citizens aged 65. It does not give them the choice, the option to continue receiving benefits and paying premiums. If it is to remain an insurance scheme, I feel the unemployment insurance plan must allow citizens aged 65 to opt out if they want to withdraw permanently from the labour force. So, a person of 65 could notify the Unemployment Insurance Commission of his intention to opt out of the unemployment insurance scheme and to collect, as provided under the bill, a three-week severance benefit as compensation until his readjustment under the various income support programs I mentioned earlier.

Thus, we would end up, Mr. Speaker, with a plan which I feel would maintain for workers of 65 the incentives to return to the labour marked needed by the Canadian economy. It would also allow the Unemployment Insurance Commission and plan to unload a number of workers who, at 65, decide and really wish not to go back to work, and who anyway do not want to make the effort and take the steps required to find a job under difficult economic circumstances.

I would therefore suggest to the Minister of Manpower and Immigration, who proved he is really open-minded by introducing at least five amendments which substantially improve the unemployment insurance program, that he consider giving workers of 65 the opportunity to advise the Commission that they want to opt out of the plan and to receive three weeks of benefit provided for in the government proposal, and allowing those who want to remain in the labour force to continue to contribute, with all the responsibilities and obligations this implies. And if, unfortunately, as a result of the severe controls which must be made by UIC inspectors and officials, the conclusion was reached that those workers are not taking the steps nor submitting to the controls provided for in the act, we would have no other alternative than to disentitle them to receive benefits payable to workers under 65.

I feel that to provide this option under the legislation would show that we acknowledge that the worker of 65 is still making a useful and effective contribution to the Canadian economy and would remove the disincentive to work that other pieces of legislation and government programs seek specifically to compensate.

● (1610)

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, the bill we are debating is one of the many dubious pieces of legislation following from the document tabled last June which the previous minister of finance was pleased to call the budget. That budget proved to be a launching pad. Indeed, it should have been called that in the first place. The previous minister of finance who introduced that budget has since been launched to the middle benches on the other side and is the latest of the long list of cabinet ministers who have played the role of sacrificial lamb as the government blunders from crisis to crisis. The Prime Minister (Mr. Trudeau) should have made the ex-finance minister a gift of the budget when he made his grand exit, in the way some companies give retiring employees a gold watch. We could then have made a fresh start from square one. We might even have offered the services of our able finance critic—on a consulting basis, of course. This government is all too familiar with the role of the consultant. There are more consultants on the present government's payroll than there have been at any time in Canada's history.

The Liberal government of Quebec seems to have learned a lesson about hiring consultants from the federal Liberal government, or possibly it was the other way around. According to the reports now being circulated about consulting services for the Olympic site in Montreal, the consulting bill alone on the first phase of the project will amount to about $23 million. Of course, there is the matter of the criminal nonsense concerning the payment of more than $30 million to the architect of the domed stadium at the Olympic site.

I point out, Mr. Speaker, that members of this House, whatever party they represent, have a very personal stake in this proposed legislation to amend the Unemployment Insurance Act. From my own experience, I say that the average member devotes more time and effort to solving UIC cases in the constituency than to all other types of problems put together. This should give some idea of the magnitude of the problem both with respect to the unreasonably high rate of unemployment in Canada and the difficulty experienced by many legitimate claimants in getting their UIC benefits.

Part of the problem in getting UIC claims settled stems from the fact that there are just too many professional UIC cheats. These people tie up the employees of the local UIC offices, drain the UIC fund and force sympathetic UIC employees to adopt a cynical attitude to all claimants, legitimate and otherwise. A couple of years ago the government announced the hiring of an army of ex-policemen, private eyes and other investigative personnel to track down UIC cheats and restore some credibility to the UIC program. Since then I have not heard anything about the project and I have to assume that it has been a dismal failure; also, that most, if not all, those people are now drawing their own unemployment insurance benefits.

Let me stress that the problems we encounter with the Unemployment Insurance Commission are not with the employees of the local UIC offices. My staff and I have always found these people to be courteous, co-operative an helpful. Employees in local offices appear to be just as anxious as the rest of us to see that the program works the way it should, and they are sympathetic to the plight of legitimate claimants. I find that they are also diligent in their efforts to identify and to apprehend the chisellers.

It is interesting to note that UIC employees, especially in local offices, are not awed or overwhelmed by inquiries directed to them by members of parliament. They are responsive and courteous, do not hesitate to point out that some cases of overpayment raise on the basis of false information supplied by claimants, and that the money must be repaid. By the same token, they will not hesitate to admit an error on the part of the UIC office and will often make payments to claimants to cover periods where disentitlements were imposed in error. Mr. Speaker, we cannot fault employees in UIC offices for the failure of the program to work the way it was intended and the way we must ensure it will work.

In order to find the culprits responsible for one of the most expensive boondoggles in the long list of blunders committed by this government, we must go to the top of the bureaucracy and the top of the political ladder. That is where we must go if we are to find those responsible and at the heart of the appalling mess in which the UIC today finds itself. We knew three or four years ago that the Unemployment Insurance Commission was mismanaging the UIC program, and we were alerted to the fact some incompetent people were parachuted into senior positions in the commission, people who had failed miserably in their former positions.

We knew as long ago as 1971 that the government did not intend to take steps to replace the incompetents in the commission. The Prime Minister tried to restore some semblance of order in the UIC house by using his majority to railroad through parliament a bill which would remove the ceiling on UIC pay-outs. In that way UIC could continue in the same old way and would have an abundance of money under which it could hide its inefficiency and blunders. The Prime Minister also undertook to make up any deficits in the unemployment insurance fund while unemployment remained in excess of 4 per cent of the labour force. Under this new legislation, the Prime Minister has raised his sights to a figure of 5 per cent. In other words, he is prepared to accept 5 per cent to 6 per cent unemployment as equivalent to full employment. This only compounds the travesty of looking upon unemployed Canadians as numbers in a set of filing cards.

● (1620)

The mere idea of 800,000 unemployed Canadians being an acceptable rate of misery and deprivation in our country is deplorable. When it becomes a policy of government, that government does not have the moral right to remain in power. I wonder whether the government would have the courage to go to the electorate on a platform that contained such a policy, combined with a history of flip-flopping on the question of inflation.

Just over a year ago, the Prime Minister spent hundreds of thousands of dollars on television and radio time telling the Canadian people that the Conservative proposal for price and income controls would not work. Today we have the most restrictive and wide ranging controls in peacetime history. I invite the Prime Minister to call an election and campaign on those two issues.

It is typical of this government to try to save money by cutting back on the level of benefits paid to the legitimately unemployed. Surely the Prime Minister knows that cutting the level of benefits will only add to the misery of those families without their accustomed level of income. To say that the difference will be made up with family benefits is complete and utter nonsense. There are thousands of families with one or two children. There are others with no children, especially young and middle-aged couples. In some cases, a couple that has already raised their children will need to have an adequate income if the breadwinner loses his job through no fault of his own.

For years the Prime Minister and his cabinet have been doing everything in their power to discourage business and industrial expansion, the very lifeblood of employment, especially with regard to the creation of new jobs required every year based on additions to the labour force. It is as though the government is swinging a double-edged sword at the working people of this country, discouraging expansion in job-creating areas, raising the premium for unemployment insurance and then cutting back on UIC benefits. There is a classic case of confusion and indecision if ever I saw one.

To get back to the question of abuses of the unemployment insurance program, I would like to deal for a few minutes with the remarks of the Minister of Manpower and Immigration (Mr. Andras) concerning people who quit their jobs and those who refuse employment when it is offered to them. I accept the fact that when as many as 250,000 people quit their jobs in a given year, it is a serious matter, one that all of us are anxious to see explained and one we would like to see cleared up. The minister did not

have a breakdown on that enormous figure, but I have to assume that he would not have given the figure if it did not represent people who had made application for UIC benefits. The minister did not say how many of those people quit their jobs because they could not continue because of health or other legitimate reasons. He did not say how many quit because their working conditions were intolerable and they could not take it any longer.

In fact, Mr. Speaker, the minister simply threw that figure at us as though he was using it to justify the drastic provisions of this bill, the main purpose of which is to make it look as though the government is deeply concerned about its expenditures. The same might be said about the figure of 26,000 jobs refused by people who were drawing UIC benefits in the period noted by the minister. How many of these people actually turned down jobs for which they were qualified? How many of those jobs required the people to uproot their families and move to job sites hundreds of miles from their place of residence? What I and, I am sure, my colleagues would like to know is whether the minister was actually giving us exact figures of those who sought to abuse the UIC program, or whether in fact there were extenuating circumstances in any or most of the figures he gave us.

I am aware of certain cases that fit into this category. It makes me wonder whether some of them, mostly wives, should be entitled. In some cases, a husband and wife work in the city, the husband with a much better job, or he decides to go into business for himself in a rural area. The family moves with him and the wife then immediately applies for unemployment insurance benefits.

All of us are interested in shutting out the cheaters and the rip-offs in the UIC program. We also want to see better and faster service for those who are legitimate claimants for UIC benefits. However, Mr. Speaker, if the government is simply throwing large numbers at us in the hope that we will get alarmed and demand an immediate crackdown on UIC claimants, across the board, they do not have a hope. We want honest figures and we want an honest appraisal of the problem of UIC cheating. It would also be helpful for us to know to what extent legitimate claimants are being penalized in the government's attempts to uncover and apprehend UIC cheaters.

The Minister of Manpower and Immigration said that the government hopes to collect an additional $490 million for the UIC fund through the provisions of this bill. If that money is to be raised by penalizing those who are already burdened with the premiums for the UIC program, and by reducing the benefits to those legitimate unemployed people who qualify for benefits, then the $490 million will have to be considered under the heading of ill-gotten gains.

Considering the way in which the present government throws money around, and considering the amount of money wasted in inefficiency and bungling by this government, I cannot accept such measures as are contained in Bill C-69 to enable the government to raise more money. Let them clean house, bring some order and efficiency into the UIC upper echelons, and cut out some of the appalling waste in other government programs that serve no other purpose than to reward Liberal losers and hacks and the mere party faithful. Let us save money in that way; then we will not have to keep squeezing it out of the overburdened workers of Canada and we will not have to raise it by penalizing those who are the legitimate beneficiaries of government programs.

Recently the Ottawa *Journal* ran a story on the bill under the headline "Workers to bear heavier UIC load". Under the new legislation, maximum premiums for employees would rise immediately from $1.40 per week to $1.70 and could go as high as $3.40 by 1977. Employers premiums will rise from the present $2.40 to $2.80 and, again, in 1977 could be $4.80. The minister says that the new regulations will require employees and employers to pay $490 million into the UIC fund and will allow the federal government to save $600 million in 1976. That is certainly a switch. It is a shabby way for the government to create the impression that it is interested in saving money. What it is really doing is doubling the load borne by those who have been carrying the load all along, the employees and their employers, while not doing anything to ensure that the UIC cheats are shut off from the program.

The new legislation will double the waiting period applicable to those who quit their jobs, making it six weeks instead of three. This might discourage some of the abuses, but there must be more careful scrutiny of those who quit their jobs and more strenuous efforts to screen out those who do so simply to draw UIC benefits.

● (1630)

I repeat, the program must be made to serve the interests and welfare of those who support it with their premiums and who become employed through no fault of their own. Also, it must be administered in such a way as to screen out those who are professional UIC cheats. One way of doing this would be to lengthen the period of insured employment required as qualification for benefit. Right now, a person can work for eight weeks, get fired deliberately and then draw benefits for about half a year.

Mr. Alexander: Longer.

Mr. Darling: This is obviously an abuse of the UIC principle and it must be ended. Let me remind the House what our spokesman on this bill, the hon. member for Hamilton West (Mr. Alexander) said when he compared the cost in the United States with the cost in Canada, with a population one-tenth the size of that in the U.S. The United States spent $4 billion on unemployment insurance in 1973 and, as most of us in this House are aware, Canada will spend about the same amount in 1975 in that area.

Mr. Alexander: No question about it.

Mr. Darling: Unemployment insurance came into effect in Canada in 1940. In the first 30 years we spent a total of $6 million on the program.

Mr. Alexander: Billions.

Mr. Darling: That was the total sum expended during 30 years, Mr. Speaker. Now, figures show that between January of 1971 and December of 1975, our unemployment insurance costs, as predicted, will amount to some $10 billion.

Mr. Alexander: Right.

Mr. Darling: The breakdown, the year to year payments and the contributions by employer and employees, were outlined in that speech given by my hon. friend on Monday, October 27, a week ago today.

Some hon. Members: Hear, hear!

Mr. Alexander: I put it all on the record.

Mr. Darling: Unemployment insurance was set up on a cost basis of $10 per capita, later doubled to $20. It has now reached the staggering figure of nearly $200 per capita. An independent commission should be set up to look into this situation. A few days ago the *Globe and Mail* questioned the staggering annual cost of unemployment benefits, commenting:

> All Canadians are aware that this program has become a national scandal to which Ottawa closes its eyes. Surely the time has come to bring a halt to the massive cheating and moonlighting which goes on, costing the taxpayers millions a month. Some strict screening, individual investigation, regular monthly reviews, effective penalties and allowance cuts when reasonable work is refused are long overdue.

It is high time we gave serious consideration to the position of those who earn substantial incomes on a seasonal basis and then relax in luxury during the off season. I am not talking about the many seasonal workers whose incomes are much below the average, or even average; I am considering, for example, captains on the Great Lakes whose income, I am sure, would be in the $25,000 bracket—

An hon. Member: All 30 of them.

Mr. Darling: —or highly paid construction workers, machine operators who, I will admit, work long hours during the season and who earn an annual income of the same bracket. Surely the time has come to give this aspect serious thought. These people are very fortunate to be able to earn an annual income in an eight or nine-month period, whereas a great many working people make considerably less and have to work the full 12-month period for it.

It might also be an idea to give serious consideration to the treatment of combined family income, that is, to the income of both the husband and the wife. It often happens that wives work for a period of the year, not because they need to but because they are bored or have an interest in working. At the same time, their husbands are earning substantial salaries. I know this will raise a hue and cry among the particular group concerned, but it does seem most unfair that present provisions should apply in cases where the husband is earning $25,000 a year or more and has a wife who works. Surely, in such cases when the wife decides to take a month or two off, or happens to be laid off, the total income concept should be applied; if the total income is over a specified figure, the wife should not draw unemployment insurance benefits.

One of the most controversial changes in the legislation put before us involves the termination of benefits at the age of 65. I am informed that only 10 per cent of the labour force is 65 or over and, therefore, facing disqualification. I am aware that there certainly are people in this age bracket who are working every angle and taking every advantage in order to qualify. My hon. friend from Calgary Centre (Mr. Andre) pointed out that even if the entire group received benefits at the average Canadian rate of $74.61 a week for 15.9 weeks—and it would be almost impossible for this to happen—the total saving to the government, to the taxpayer, would be $2.77 million, or .7 per cent of the deficit for the present year, which is just a drop in the bucket.

Mr. Andras: That is wildly inaccurate.

Mr. Darling: The great majority of those affected will be people in the lower income brackets who choose to work after 65 rather than retire and live on a greatly reduced income. What the minister is saying is, "We do not want you in the labour force any longer. Go home put your feet up and live on your old age pension and any savings you may have." A great many workers who are in good health do not wish to retire. In many cases, they are much better workers than men and women many years their junior. They take a pride in their work, they have an excellent record as far as time loss is concerned, and in view of these circumstances I am hoping the minister will reconsider this particular change. Last night I was discussing this particular clause with a person who said, "Oh, that is easy to remedy. All these workers will now retire at age 64".

I am aware that a great many people who pay into the fund feel that some time or another, by hook or by crook, they should be able to collect in order to get their money back. For many years I was a general insurance agent. Time and time again, especially when trying to collect old accounts, I would be told that clients did not have an accident, or didn't suffer from a fire and were therefore justified in not paying an insurance premium. Old age pensioners feel they should be eligible for unemployment benefits because they have paid for them. They have contributed to the economy down through the years and they feel they are now being cast aside like an old shoe, no longer wanted. Many of them, having been forced to retire at age 65, want to continue to work and, of course, register with Manpower. They are being eliminated from the insurance rolls against their will.

● (1640)

We have learned during the past few days that the cost of the unemployment insurance program increased by 40 per cent during the first eight months of 1975, and that the pay-out in that period was about $2.4 billion. This means we can expect a total bill for UIC payments this year or well over $3 billion. At this rate, UIC could mushroom in the next few years to become the most costly single item in the Canadian budget.

Mr. Jean-R. Roy (Timmins): Mr. Speaker, I am pleased to take part in this debate on Bill C-69. I am going to have some criticism, not of the minister or these amendments but of the act itself. I hope to make some useful recommendations for the consideration of the minister which perhaps will be implemented in the future. I agree with the principle of the bill in general. I think very few of us here would not agree that the act does need tightening up. We have been besieged by all kinds of complaints over the past three to four years regarding facets of the act that required amendment, and I am glad the minister has finally taken the bull by the horns and come forward not only with necessary but with useful amendments.

I think very few people in Canada would deny that the unemployed need financial assistance to look after themselves and their families. But although I agree with the primary principle of the act in general, I continue to disagree with the secondary principle. When the policy was being shaped for the new legislation, I recall we had great difficulty with the old act in deciding whether it was an insurance program or a welfare program. So we said to ourselves, "Why don't we try and make it an insurance program, or a welfare program, one or the other; but let us not have a composite program that meets both concepts." Finally, when the policy reached the stage of legislation, the program was still a mixture of insurance and welfare. As a result of this, confusion has been created, and as long as the program creates confusion among claimants—who are not experts in the insurance or welfare field—and the general taxpayer, there will be repercussions. Since the public does not understand the program, claimants will continue to abuse it and continue to be a burden on their fellow taxpayers.

In my view, the act is much too complicated for purposes of proper and reasonable administration. I understand it costs in the neighbourhood of $170 million a year to administer the act. With half a million unemployed in Canada, this means that for each person unemployed it costs the government $350 to administer the act. Let us also bear in mind that UIC recipients get a cheque every two weeks, and each cheque issued costs the government $14. I am not saying that it costs $14 to issue the cheque, but to administer the program it costs $14 for each cheque issued.

I remember in Timmins that when the Manpower and UIC departments were split, they were occupying a large area of floor space above the post office. Somewhere in the neighbourhood of 15 people remained to administer unemployment insurance, and the place looked like an empty warehouse. There was lots of room for these people to work, and the employment situation in Timmins at that time was much worse than it is now. My area is experiencing an economic boom at the moment, yet the number of people employed in the unemployment insurance office has reached 80. So although there is less unemployment in Timmins at the moment, the number of staff required is 10 to 11 times that needed to administer the old act. In other words, there is no doubt that the act is cumbersome to administer, and I would urge the minister to review it with a view to simplifying the procedure.

Mr. Benjamin: Where is the minister? He is not here.

Mr. Roy (Timmins): I am assuming that the minister can read just as well as the hon. member across the way. With regard to benefits, the previous speaker said these had increased to well over $3 billion. I was recently in Australia and was interested to learn that a single, unemployed person in that country receives $36.50 a week. That is equivalent to about $47 Canadian. I am not arguing the point whether our benefits are too high, but compared with the benefits received in Australia ours are away above theirs.

One way in which we could reduce this very costly bill is to eliminate the indexation of unemployment insurance. I can understand the indexation of old age security payments or benefits under programs that aid people on low, fixed incomes, but I cannot understand indexation of the unemployment insurance program. If there is one thing that is detrimental about indexation, it is that every time you index something it becomes easier to index something else. By the time you are through with indexation, Mr. Speaker, you have built so much inflation into the economic system of the country that it is difficult to support. Thus, I urge the minister to consider eliminating the indexing provision from the Unemployment Insurance Act, perhaps replacing it with a section providing for a yearly review. I think removal of the indexation feature would be welcomed.

Mr. Benjamin: Why don't you try living on UIC for a couple of weeks?

Mr. Roy (Timmins): I see our former engineer across the way is still running down the track with his locomotive, not knowing where he is going. No act or program should rely on a huge bureaucracy for its reasonable application and proper implementation. Nor should it depend upon a Big Brother system of reporting indiscretions. No unemployment insurance program that I would like to see would depend upon an employer, a friend, even a relative, bringing indiscretions of people defrauding the act to the attention of the authorities. I think the incentive to remove oneself from the unemployment insurance rolls should be implicit in the program itself.

With this in mind, I have on several occasions made a proposal to the minister and I make it once more for his consideration and the consideration of his officials. I refer to the proposition of diminishing returns. Let a person receive full benefits for a period, say, of three to four weeks. Following that period, if benefits were reduced by 20 or 25 per cent, and then after another two weeks by 10 or 15 per cent, I think we would find that no one would stay on unemployment insurance for 40 or 50 weeks. Reduced benefits would soon put them into the labour market, which is where they should be.

• (1650)

Mr. Speaker, if we continue to consider this program generally as a welfare program or partly as a welfare program, then it is necessary, wise and advisable to limit the yearly earnings of claimants. Since we limit the premiums under the act and the level of salaries on the basis of which the payment of premiums is made, I think it would be just as acceptable to limit yearly earnings. I think we must place a maximum on the earnings one can have and continue to receive unemployment insurance. It would be better, as a general principle, to distribute a universal guaranteed income than to have thousands of people taking advantage of their tax paying neighbours and Canadian citizens.

An hon. Member: Hogwash.

Mr. Roy (Timmins): We are creating a social attitude with some of our programs which will make it difficult for us in the future. It will be difficult if it becomes fairly acceptable for someone to cheat the government. Perhaps it is not acceptable to cheat your neighbour, but it may become generally acceptable to cheat the government in this way. If it becomes acceptable that individuals should

receive unemployment insurance rather than looking for a job, then I think we will have created a social attitude that will be very detrimental to Canadian society.

We all know of the terrible abuses that take place under this act. I am sure most of us have been personally involved with individuals who complain about their neighbours and friends in this regard. Employers are often accomplices in this fraud. How many employers use the unemployment insurance system as a means of staff planning? How many employers let their people go in the wintertime with an agreement that they will collect unemployment insurance for a certain period of time and be compensated for the balance when they return to work? These are the same employers who criticize and complain to me about the overgenerous benefits of our system. They suggest we should cut half these people off benefits. Let me remind these employers that they can start at home by cutting the people they do not want receiving unemployment insurance benefits, and by making sure they do not have this type of agreement which is favourable to some employees and unfavourable to others.

How many employees who are receiving unemployment insurance have full-time jobs? I suggest there are many of them. Not only are they illegally receiving unemployment insurance benefits, but they do not pay tax on the added income they get from the full-time or part-time job. With that sort of activity becoming acceptable, I say we are creating a very bad social system and a very bad attitude among the population.

While it is true that there are many abuses by claimants, it is also true that there are many abuses to those claimants carried out by officers of the unemployment insurance service. This works both ways. I am under the impression, and I think there is some validity to this, that promotions in many instances are given in the unemployment insurance department on the basis of the number of convictions or disentitlements an officer has under his belt or can effect, rather than on the basis of the service he can provide the claimant or unemployed individual who seeks his service. This is something that should be looked into by the minister and changed.

I have made representations to the minister regarding abuses by officers. The one that has bothered me most relates to statements by claimants. I am pleased to see that the minister in his wisdom has decided to change that regulation, making sure that such a statement does not become a statement of evidence on the part of the claimant. These statements can be misinterpreted by an officer. I remember the case of one chap who was asked how much money he would like to earn in a new job if one was found for him. He said: "Well, I have a family of six kids and I can hardly support them under $100 a week". The officer put down on the statement, "Will not accept under $100 a week", disentitling the claimant immediately.

That is the type of thing I want to see stopped. I think it is the type of thing that will be stopped under the new procedure of obtaining a report from the officer, rather than a signed statement by the claimant. It seems to me the board of referees will be much better served by having both sides of the story before making a decision on the appeal, rather than just the side given by the officer as well as, perhaps, a misinterpreted but signed statement by the claimant.

I completely agree with the amendment in the bill that doubles the period for people who leave work without just cause or, indeed, refuse suitable employment. With regard to the 65 years of age clause, I know it is difficult to take away from people something you have given them and to which they have grown accustomed. However, I am sure our 65-year old people will understand the reasoning and thinking of the minister, his officials and the government as expressed in this clause. I simply cannot believe that a good insurance scheme can function when someone who pays $1,500 into the program can at a later date, when he reaches age 65, take $6,000 from the fund. This is economically impossible. I know our 65 year olds will understand this. You just cannot pay $1,500 in and some years later take out $6,000. If everybody did that, you would require four times the money to make the fund self-sustaining. So this part of the program is impossible to continue.

Let us remember the alternate benefits which accrue to those 65 years of age, including three weeks' unemployment insurance with no questions asked, old age security with no questions asked, the guaranteed income supplement—with an income test—and Canada Pension Plan benefits with no questions asked. We must also remember the additional income tax exemption of $1,307 for people over 65. While these alternate benefits may not completely supplant or replace unemployment insurance benefits, I think if people aged 65 will look at them closely they will see they are reasonable when compared to unemployment insurance.

I am in full agreement with the minister regarding the sickness provision. How many people have great difficulty in continuing to receive benefits as claimants when sick for a second time, even being sick for two or three days on the first occasion and seriously ill for an extended period the second time? I am in total agreement with, and commend the minister for, that particular change.

In conclusion, I hope the minister will continue to review the act. Personally, I am not satisfied that these changes will make it a perfect act, far from it, but I commend the minister for having had the courage at this time to bring forward the changes. I am convinced that he will find more beneficial amendments in the not too distant future.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Grenville-Carleton (Mr. Baker)—Public Service—Proposed reduction of staff—Effect on implementation of bilingualism program; the hon. member for Winnipeg South Centre (Mr. McKen-

zie)—Post Office—Proposal to allow private carriers to deliver mail—Government position; the hon. member for Sault Ste. Marie (Mr. Symes)—Broadcasting—Actions of United States television stations in obtaining Canadian advertising—Government action.

● (1700)

GOVERNMENT ORDERS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Roch La Salle (Joliette): Mr. Speaker, I would have a few remarks on this piece of legislation which is very important I think, and if I refer to the speeches I have just heard, it seems clearer and clearer that the minister will have to recognize some shortcomings in this bill and in the legislation on unemployment insurance as a whole. I understand hon. members on the government side who are very careful but, if you listened well to them, they try did to invite the minister to bring some corrections. I will refer later to the comments I heard.

Mr. Speaker, we have before us a piece of legislation which is important, I say it again, and which stems I think from an act which has been ill-administered for too long. I must say right away that I read carefully the speech made by the hon. member for Hamilton West (Mr. Alexander), who traced back the history of the legislation, and considering of course the credits being applied, it seems quite clear—and I did not hear anyone criticizing the allegations made by the hon. member for Hamilton West—that those previsions have always been wrong, which explains the loss of credibility towards the government only regarding this legislation. One could talk about so many other measures that have been put forward by the government for some time and which do not meet the needs and do not correct the situation.

Anyway, we are before a government which has been governing for ten years and we are once again before a legislation that is far from being popular and just. Yet, ten years ago, they were talking about a "just society". And most Canadians did believe it. Considering the inadequacy of that legislation, we feel increasingly that the public is losing confidence in a government that cannot manage to introduce acceptable measures which of course, we must criticize, exactly what we are doing. There is talk of savings of $500 to $600 million through this legislation, of which the workers will have to assume half. The worker will have to pay 50 per cent, which will mean an increase of 30 per cent. Still, one bill tells us the increase must not exceed 10 per cent in the case of salaries. Some revel in fine words, while accepting that the worker's premium go up by 30 per cent: we feel that is unfair. Mr. Speaker, if the government made the wrong forecasts, if it erred completely, that is no reason why the workers should pay the consequences.

This bill provides some worthy steps we will not question; for instance, we accept that the penalty be doubled for those who leave their jobs too easily; basically, we are not against that but, as one of my hon. colleagues pointed out, we feel that whoever left his job for what he considered just reasons, I suppose, and who appeals to the court, should not be the only one to appear before it: the employer should also be called upon to appear and prove that the report he made on the employee is acceptable to the court of appeal.

It is unfair and intolerable to pay benefits to workers who have once more quit their jobs for reasons the court will surely be interested to know. The employer ought to be compelled to give evidence to permit double checking, which is not at present provided for in the act.

The administration of riding offices was also questioned. I hasten to say—and to say it in the minister's presence—that the office in my riding can boast of a very competent director and highly-qualified staff. However, in spite of the greatest efforts and the best of intentions, it does happen that some applicants encounter difficulties. For example, becausee the claim procedure is initiated in my riding office, the cheque must be made outside. Right now, as is so often the case, postal workers are on strike, which results in applicants experiencing a great deal of problems. Therefore I would like to urge the minister to provide ways and means whereby applicants can receive their cheques without delay. It is precisely the one who cannot afford to wait for his pay cheque that most needs the unemployment insurance benefits. Is it possible to improve this system to prevent claimants, once their form is duly completed and their acceptance acknowledged, having to wait 24 hours to get their cheque? All members hope to see this mechanism sufficiently well organized in order that justice be done to claimants in such circumstances.

Mr. Speaker, some provisions of this legislation are valuable. We regret and criticize the general administration and the estimates made some ten years ago, particularly because they were wrong or badly prepared.

A while ago I noted the member for Maisonneuve-Rosemont (Mr. Joyal) clearly requesting the minister not to deprive persons of 65 and willing to go on working from the possibility of drawing unemployment insurance benefits.

And at this point, Mr. Speaker, we of the opposition, and the New Democratic Party as well as the Social Credit Party of Canada, made suggestions, representations to the minister about that particular clause. We believe that those people want to remain in the labour force. And God knows, Mr. Speaker, since the government made its intentions known a few months back already—and I am convinced that other members think as I do—that representations have been made by the people concerned who want to remain in the labour force and qualify for unemployment insurance benefits. And the hon. member for Maisonneuve-Rosemont is one of the few members of the party in power to express his views clearly. That is a good thing and I congratulate him for it. The opposition did not wait until today to do that.

Since that legislation was introduced in the House, we have asked the minister to review that proposal, and I dare hope other members will do the same. The hon. member for Timmins (Mr. Roy) made a few very appropriate remarks on the administration in general, and I think it is important that members, whatever party they represent, tell the minister that there is a shortcoming and a proposal that is unacceptable.

So, in the circumstances, I hasten, Mr. Speaker, to urge the minister to lend an attentive ear about that particular clause. I feel it is my duty to ask the minister on behalf of those people to reconsider his decision and allow those who still want to remain in the labour force to qualify once again for unemployment insurance benefits. Of course, we must try today to amend a piece of legislation that was passed more than 30 years ago and also underwent certain amendments. I might ask why once again we have to deal with estimates amounting to millions, billions rather, why we have to find that kind of money and collect more from the worker in the present increasingly difficult situation.

As I said, in the unemployment area, there has been an attempt in the last ten years to mislead members of the House as well as the Canadian people in general with measures designed to reduce unemployment. I must remind this House, for the tenth time I believe, that unemployment rose from the 175,000 figure in 1968 to the current 600,000 or 700,000 level. I believe there is an attempt to have us live with a high unemployment rate, but we do not accept that.

As opposition members, we have a duty to ask for much more significant measures than those proposed until now. Not so long ago, not more than a year and a half ago, we were told that action was being taken to slow down inflation and reduce unemployment at the same time. Those were formal commitments. A vote of confidence was obtained from a majority of Canadians, but, as has not been realized for a few months in the face of this government's about-face in any areas, its credibility is jeopardized.

There are still shortcomings in this legislation. It is totally unfair to the worker and it is not only our right but our duty to urge this government to listen to reason and come forward with measures that are much more practicable and fair, and more in keeping with the just society that was sold to us ten years ago but did not materialize.

I urge the minister to show real understanding and much more compassion for the workers, the people that want to remain in the labour force and to qualify for the program by paying premiums. In this way, the government will not only win the public's confidence, which is beside the point, but fill the pressing needs of those Canadians.

I refer again to the statement of the hon. member for Maisonneuve-Rosemont who said earlier that he feels that the people are concerned and worried, that they are fed up with pieces of legislation inconsistent with their needs. In view of the lack of credibility of the government and the criticisms of the public and the opposition which are quite justified, he decided to ask the minister to reconsider his decision concerning the proposal, but why is he the only government member with enough courage to do so? It would be ridiculous to think, Mr. Speaker, that he is the only government member who had representations to make in this regard. In my opinion, it is time to prove to the Canadian people that even if you are part of a team, you still have the sacred duty to bring the minister to reason when he is wrong. I feel it is important to stress this.

I therefore avail myself of this opportunity and of the invitation that he made to the minister to express my views. Of course, I could use the statements made earlier by my colleagues and the opinions expressed in the last few days, but I know that the government could reply: Of course, you are in the opposition and you have criticized, and that is all you can do.

We do not criticize because we like it, we ask for an amendment to a legislation which, I repeat, is obviously unfair to a certain group of Canadians. That is why we keep up this fight. We want to show the minister that we are right in hoping that others will take a stand as did the hon. member for Maisonneuve-Rosemont this afternoon. To my great surprise, this is the second time in a few days that the hon. member for Maisonneuve-Rosemont has made justified criticisms or serious recommendations to the government.

Last week, during the debate on price controls, he stated in the House that the ministers themselves fail to control the expenditures within their department. So, how can one imagine that it is possible to control prices and wages the ministers do not control expenditures within their own department? I am not the one who said so, it is a Liberal member. Today, he urged once again the minister to amend this clause in particular.

● (1710)

I insist on this clause, Mr. Speaker, as it is definitively the most harmful for those people and certainly the most unfair provision in this legislation. Of course, there are some amendment. We certainly wish that the administration will be better than ever and that claimant will get better services. There are more rigid measures, of course, and they are also justified, but we ask that this measure, this legislation be fairer than it is now. We should particularly eliminate this injustice where people aged 65 who wish to stay on the labour market are not entitled anymore to unemployment insurance benefits.

So Mr. Speaker, I repeat that it is unfair to try to recover those $250 million from the worker's pockets as it is unfair to deny those people the right to benefits. My comments will not be any longer but once more I encourage the members from government benches to show some guts and not only the members of the opposition but also a particular member. I saw some members that agreed before with the hon. member for Maisonneuve-Rosemont (Mr. Joyal) and I hope that we will show to the minister that we do not agree with this measure in its totality and that if this legislation is not amended at the committee stage to bill the loopholes we can foresee, these hon. members will also have the courage to vote against a piece of legislation that is unfair for a particular class of people.

I hope that the minister will take note of all the remarks made from this side of the House and that there will be similar comments to bring the minister to his senses so that Parliament will give Canadians a legislation that really meets the needs of workers and Canadian people.

[*English*]

Mr. Gilbert Parent (St. Catharines): Mr. Speaker, it seems to me that this afternoon we are being treated, as we are on many days, to a parading of all the injustices and abuses that are going on in the UIC. My colleague, the hon. member for Timmins (Mr. Roy), mentioned earlier that often people collect unemployment insurance for a period of 51 weeks. I would remind him, and members of the opposition, that the average person draws unemployment insurance for only 16 weeks and very few indeed collect from the full period. I would refer specifically to the provision in the bill lowering to 65 the age at which unemployment insurance coverage ceases.

[*Translation*]

The decision to lower the maximum age to get unemployment insurance coverage under the Unemployment Insurance Act stems from a number of fundamentals. One of them is the very nature of the plan. The Unemployment Insurance Act provides a protection against income losses in various circumstances and for a certain amount of time. It is not a retirement fund, but a temporary insurance against possible salary losses. When protection ends, premiums are in no way refundable. Fron that point of view, unemployment insurance is similar to a fire protection policy. If a fire breaks out, compensation is paid, but if there is no fire and the house is sold or torn down, fire insurance premiums are not refunded to the policyholder.

Anyway, there is no direct financial relationship between the cost of premiums and the amount of income protection under the plan. For instance, a person who would have been working since the plan was introduced in 1941 and always had the maximum insurable earnings would have contributed a total of $1,500 to the plan in September 1975. If this person came to lose his or her employment because of compulsory retirement at 65 and submitted a claim, he or she would be entitled to $6,373 over the maximum period of 51 weeks during which benefits a payable, provided the national and regional employment rates are high and he or she cannot secure employment.

● (1720)

[*English*]

A three-week retirement benefit is payable to major attachment claimants when they reach age 65, and this will remain under Bill C-69. The benefit is an acknowledgment of the reduced protection available to workers in the final year before their sixty-fifth birthday. Third, the principle of coverage being extended only for the normal working life of the claimant was recognized in the 1971 act when coverage was terminated at age 70. Labour groups, members of parliament and the general public have long advocated that most forms of social security for senior citizens begin at age 65, or even earlier in some cases, in recognition of the fact that the average working person has the right and the need to retire at that age and that other forms of income support should be available to him.

The Canada Pension Plan particularly has been upgraded. The earnings test has been eliminated and the plan itself reaches full maturity in 1976. These were concerns expressed by members of parliament in 1970 and 1971 when the Unemployment Insurance Act was being debated. They felt that the Canada Pension Plan did not provide adequate income replacement because at that time it had not reached full maturity and was earnings-tested. Other programs have also been improved. For example, in 1971 the Canada Pension Plan and the Quebec Pension Plan afforded recipients $65. In 1975 we see that this has risen to $130. The old age security was $80 in 1971 and today it is $126.

Mr. Benjamin: Not enough.

Mr. Parent: It is $126, my friend, and the guaranteed income supplement for a single person is up from $34 to $88.

An hon. Member: Don't brag about it.

Mr. Parent: The hon. member says we should not brag about it. I ask him, what should we do; hide our heads because we are helping those who need it? Mr. Speaker, I suggest that the government is meeting its moral obligations with regard to people 65 years of age and over. Hon. members will note that all these programs have been indexed. In addition, a $500 increase in the personal income tax exemption for persons aged 65 to 70 was made in 1972, bringing the total personal exemption for this age group to $1,000 more than for other taxpayers. This exemption has also been indexed.

The government operates its programs on limited financial resources, and time and time again we hear members of the opposition saying, "Cut back here" and "Cut back there."

Mr. Benjamin: Not us.

Mr. Parent: Cutting back is all very well, but in the final analysis, will the cuts hurt the people of Canada to such an extent that they will not be able to operate? This is one of the questions which must be answered in this House. The need to restrain spending is even more urgent now in the fight against inflation. Thus, the government must allocate its money where it will have maximum impact.

Mr. Benjamin: For whom?

Mr. Parent: For those who are unemployed, that is for whom. In terms of unemployment insurance, that need is clearly in the provision of employment income protection for people who are still in the normal working period of their lives. After retirement age has been reached, other programs take over to offer income support.

[*Translation*]

Apparently a number of people from this age group are using the unemployment insurance plan for purposes other than those for which it was intended. For instance, recent inquiries by Statistics Canada on labour market have consistently established that fewer persons declare being unemployed for the inquiry purposes than the actual number of claimants. That seems to indicate that those persons say to the inquirers that they are not looking for a job or not interested in finding one while they get unemployment benefits and report to the UIC that they actively look for a job. So it is increasingly difficult, from an administrative point of view, to ascertain whether the unemployed 65 or more are actually willing to work.

We must also recognize that people in that age group have difficulties finding a job. It is not always easy to look for a job when there are much younger prospects who report daily—these days anyway. The usual requirements for actively seeking employment with which all claimants must comply are excessively difficult for elderly workers who have serious employment problems. As the commission must apply the same requirements to all claimants, people of 65 or more do experience significant problems.

[*English*]

I submit that this amendment will be understood. I suggest that it will be accepted by people 65 years of age and over.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I wish to confine most of my remarks to clause 34 of Bill C-69, the clause dealing with social insurance numbers and the issuing of cards. However, I wish to say a few words about abuses generally with regard to unemployment insurance. Whenever someone on this side talks about tightening up unemployment insurance regulations to catch violators, someone opposite always mentions the high level of unemployment in some part of Canada and suggests that we are trying to disallow some unfortunate persons. This is not really the case and that is certainly not our purpose. But there are people who work the system, so to speak, and who have found the key to enable them to milk the fund for all they can get. Those are the ones we are talking about.

For instance, we are aware of certain large retailers who use the Unemployment Insurance Act to their advantage. What they do is quite legal, but in my view it is not very moral. They have a stable of workers whom they hire for short periods of time, lay them off and take on other workers for a short period of time. Then when the clerks are laid off, they apply for unemployment insurance. After a few weeks on unemployment insurance, they will be rehired, continue working for a period of time and then they are laid off again. The benefit to the employer is that these people are temporary or probationary workers, and as such they are not eligible for any of the normal fringe benefits given to regular employees. There is a turnover of thousands of people during the course of a year. The Unemployment Insurance Commission finances this stable of people with benefits. I cannot suggest any way to stop this, but it is happening now and did not happen before. It happens now with more and more companies and it is one of the abuses which somewhere along the line must be dealt with.

The other problem I see in my part of the country has to do with farm labour. A few years ago the available farm labour gathered on the outskirts of the city of Hamilton at Dundurn Castle. The local market gardeners would arrive at 6 a.m. and pick up their fieldhands for the day, delivering them back after the day's work to the same place. Some bright clerk in the Unemployment Insurance Commission office in Hamilton read the fine print in the regulations which said that if a person is employed more than 25 days per year, unemployment insurance premiums must be deducted. This bright lad created havoc in the market garden industry. People used to work for the summer at the market gardens and never worried about unemployment insurance or income tax because they did not earn enough to bother the income tax department: most earned less than $1,000.

What happened to these people? They now pay unemployment insurance premiums, their employers have to pay their portion as well and they must keep records of earnings and deductions. These people would rarely seek unemployment insurance benefits when the market gardening season was over. Many people took it as a part-time job during the summer. They went back to school, or many who were housewives went back to their normal home duties in the fall when the children went back to school. Some of them worked during the summer on farms to earn enough money to take a winter holiday. I suggest that this was the situation in most parts of the country where there was market gardening.

● (1730)

Now we have to import field hands from Mexico and the Caribbean to fill the void, at considerable cost to this country's taxpayers. I might add that the calibre of work done by these imported field hands is high. The farmers like them and want them back. I mention this as an example of government interference with the private sector. It is working to the detriment of market gardens and adding to the cost of the unemployment insurance program.

An hon. Member: Do not forget the tobacco farmers.

Mr. Kempling: I ought not to forget the tobacco farmers. They are important.

I turn now to clause 34 dealing with social insurance numbers and cards issued by central records. I feel somewhat responsible for this particular mendment to the act and commend the minister for bringing it in. We often talked about it when we met in the halls before the bill was introduced. He assured me that the amendment would be included and I commend him for it. He is a man of his word and I admire him greatly.

Mr. Alexander: It is just that it takes him a long time to act.

Mr. Kempling: Leverage is something members of parliament learn to use, to move the bureaucracy of government from its rigid and inflexible position. One must learn where to put the lever and how much pressure to apply in order to obtain the desired movement. It is an art you must learn by experience. You begin from the position that the government thinks it never does anything wrong and that those at the top, the senior bureaucrats, in their wisdom believe they know what is best for the people. Given that fact, you find difficulty in placing the levers in the proper position. But if you persevere, you can win.

Early in March, 1974, a young man named Gary Hapke, from Dundas, near my home town, came to my home one Sunday with a problem. He told me an amazing story, of having had his pocket picked at a circus in 1970 and of someone, unknown to him, using his identity. He explained that he had to justify his income tax claim each year to the officials of the Department of National Revenue because his impersonator was accepting employment in Mr. Hapke's name and under his social insurance number.

Further, the impersonator used Mr. Hapke's driver's licence and, during a series of months, had collected several traffic violations, fraud charges, and a conviction for stealing a car, all in Gary Hapke's name. Here was this young man trapped between three layers of government.

Through the efforts of Hon. George Kerr, then solicitor general of Ontario, we arranged to erase the traffic violations, the stolen car charge and fraud charges standing in his name on provincial records. Frankly, I did not know where to begin. Mr. Hapke and I talked to the local police, and met with Staff Sergeant Smith of the Regional Police of the Hamilton area. He was extremely helpful in the initial stages of the matter, and provided background detail which showed the immensity of the fraudulent impersonation which had been taking place. The problem was that it was difficult to move the bureaucracy in Ottawa and get them to clear Mr. Hapke's records. I had already taken the position that a new social insurance number should be issued to Mr. Hapke so that he could go on his way; then, if more charges arose, the income tax people could know that they were attributable to the impersonator and not to Mr. Hapke. In the meantime Mr. Hapke's name and social insurance number kept turning up all over the country, even as far west as British Columbia.

I wrote detailed letters to four cabinet ministers, the then minister of national revenue, the then minister of justice, the Minister for Manpower and Immigration (Mr. Andras), and the Solicitor General (Mr. Allmand), in an attempt to straighten out this matter. It was necessary to get those four cabinet ministers to act.

It was necessary for the Department of National Revenue to clear the income tax files so that Mr. Hapke could get a tax refund to which be was entitled by virtue of tax overcharge.

The Solicitor General and the RCMP had to act, to apprehend the impersonator. We knew his name and the RCMP, as it turned out, had his fingerprints on file.

The Minister of Manpower and Immigration had to act, to clear the UIC files covering Mr. Hapke's name, and to issue a new social insurance number from central records.

The then minister of justice had to act to charge the impersonator, once apprehended, with impersonation and fraudulent use of government documents.

By a stroke of luck we learned, through Inspector Sam Eyre of the Hamilton-Wentworth Regional Police, that the person using Gary Hapke's name was one Roger Sasserville, then serving a sentence in Oxford county jail for fraud. I immediately rose in the House and asked the Solicitor General if he would now proceed with charges against Mr. Sasserville for impersonating Mr. Hapke, using his social insurance number, and so on. To my surprise the Solicitor General replied that he did not know whether the matter fell within his jurisdiction. I received the same replies from the then minister of justice and the then minister of national revenue. I only received satisfaction from the Minister of Manpower and Immigration, who said he would look into it.

At about this time I got in touch with the head of the central records branch of the Department of Manpower and Immigration to see what could be done about issuing

Mr. Hapke a new social insurance number. To my surprise he told me that this could only be done if Mr. Hapke would change his legal name. I questioned this gentleman several times. He told me he had cleared the matter with the legal officers of the department and that this was the only way a new social insurance number could be issued. I was also told that the computer was not programmed to handle two numbers in connection with the same name. This was nonsense, as I was soon to learn.

As a result of the publicity given this matter several people wrote to me. I heard from an employer in Toronto who had several employees who possessed two, three and, in one case, four social insurance cards. He told me that he had recorded their social insurance numbers on their T-4 slips. I do not know whether the Department of National Revenue has looked into this matter. The danger of that situation is that a man might be employed under one number and collect unemployment insurance under another. In one case this could be duplicated three or four times. I merely point out a possible abuse. I hope that the good people in National Revenue have looked into this and will straighten the muddle out, because it could be very costly for the government and the Unemployment Insurance Commission.

An hon. Member: One man in Winnipeg had 15 cards.

Mr. Kempling: The situation, of course, was ridiculous. Here was a young man whose name had been used fraudulently, who had a record on RCMP files not of his own making, who had been harassed for four years by National Revenue for non-payment of taxes on income he had not earned, and whose personal credit record was filled with charges that were not of his making. He was now being asked to change his name legally in order to secure a new social insurance number. It was said that this was necessary in order to straighten out the record.

He was probably the most depressed young man I have run into for years. When he came to me he had applied for a job with a computer company, he having studied computer science at the university. When the firm checked his record with a credit reporting agency it found three or four charges standing against his name. There was a charge for car theft, numerous traffic violations, and other charges that did not relate to him at all. After we brought this matter into the open events began to move more rapidly.

● (1740)

I happened to find out that the man who was impersonating my constituent was in jail in Woodstock in Oxford County. One Sunday I visited him for two hours. He told me a most amazing story of how he travelled across Canada and the United States using the identity of another man. While there, I examined the visitors' book back to the time that this man Sasserville was admitted to jail. I found that no one from any government agency had visited or interviewed him with regard to the fraudulent use of government records and Mr. Hapke's name.

I did this because, after there had been several critical newspaper articles about this matter, someone wrote to the editor of the *Globe and Mail* over the signature of the Minister of Manpower and Immigration (Mr. Andras). The letter stated that the commission had traced this person

and was taking action. I know the minister did not write the letter. The person who did write it knew that this was an outright lie because the commission had not or was not taking any action. That is why I searched through the visitors' book to see who had been there since the man had been admitted. I talked with prison officials as well.

I know the minister did not write the letter. One of his executive assistants wrote it. Every day we see ministers in here with three or four books filled with letters requiring signatures. The minister is a busy man. He probably signed the letter without reading it. Had he read it, I am sure he would not have signed it.

I read the letter in the *Globe and Mail*. I replied to the editor and straightened out the record. It seemed odd that a minister of the Crown would correspond with a member of parliament through letters to the editor in a newspaper.

We then had some action on this matter. The then Minister of National Revenue responded by refunding the taxes paid. I sincerely thank him for that. He was the first to take any real action. They then refunded the taxes paid by Mr. Hapke on funds earned by Mr. Sasserville. All the traffic violations were cancelled and a new driver's licence was issued to Mr. Hapke.

The money paid for traffic fines was refunded and the fraud charges in Ontario standing in Mr. Hapke's name were cancelled. In fact only two things remained to be cleared. We had to have his record on file with the RCMP expunged, and a new social insurance number issued.

After considerable difficulty we had Mr. Hapke's records expunged by the RCMP. I say difficulty. That is really an understatement. I watched the Solicitor General (Mr. Allmand) over television one evening. He was telling a reporter that he was endeavouring to have criminal records cleared when a criminal has had no charge for five years. Here we were with a man who had not committed a crime and we could not get his record cleared.

A strange thing happened. The Solicitor General actually sent me a fingerprint card and asked me to fingerprint my constituent, Mr. Hapke. Can you imagine a minister of the Crown asking a member of parliament to fingerprint a constituent who had committed no crime? It was a ludicrous situation. I said the man had not committed a crime, so why should I have him fingerprinted. I said to the minister that he had charges standing in this name and an RCMP detachment in Hamilton. If he was that concerned about it, why did he not have this man arrested. The minister would not do that. I could not understand why the RCMP did not investigate the matter.

After persistent prodding of the various ministers, they finally moved to charge Mr. Sasserville with fraudulent use of government records and Mr. Hapke's name. And after this was completed, we finally had Mr. Hapke's record cleared by the RCMP. Through the RCMP, and I give them credit for this, we got Mr. Hapke's original wallet and records returned.

This chap Sasserville had gone to the United States. He became involved with the Texas state police and the FBI. They deported him to Canada. They removed his wallet and, by God, there was Mr. Hapke's social insurance card, driver's licence, and birth certificate.

After being deported from the United States, this fellow just went to the post office, applied for another social insurance card and got it. He remembered the number. He also applied for another driver's licence and birth certificate, both of which he got. He bought a new wallet and was back in business. He carried on in this way for a couple of years before being caught. True to form, however, the RCMP got their man. At least they got the wallet from the man.

The final chapter is the inclusion of clause 34 in Bill C-69 that will allow Mr. Hapke to have a new social insurance number. Even the final chapter was difficult. The then parliamentary secretary to the minister asked me to come to the minister's office for a meeting. I declined. I felt I would be the poor little backbench member of parliament coming before the minister and all his staff and they would try to get me to back off this position. It was next suggested that I see the deputy minister. I again declined. I suggested that they come to my office, but the minister would not do that. I said that we did not need the minister, we could do it without him.

An hon. Member: Hear, hear!

Mr. Kempling: I did not mean it in that light. I have great respect for the minister. The date was set and the senior deputy minister, the parliamentary secretary, the chief of central records, the legal officer of the department, and a secretaty all arrived in my office for a meeting. They wanted me to move off my position of insisting on a new social insurance number. They offered several options. The chief of central records denied ever telling me that Mr. Hapke would need to have his name changed legally. I had my notes of the telephone conversation which I read to him. I was not about to cause him too much embarrassment, so I said "That is past history, let's get the matter settled."

I refused to accept any of the options and continued to insist that a new social insurance number be issued. The senior deputy minister then advised me that he had recommended to the minister that the act be changed to accommodate Mr. Hapke and others caught in this unfortunate position. As I said at the outset, I commend the minister for this. He is a man of his word. He told me he would bring in the amendment, and he has done that. He told me privately that he would allow me to present the new social insurance card to my constituent—he is a pretty good guy. At any rate, it was a long road.

● (1750)

I have taken the opportunity to tell the story here because the situation described is one in which anybody might find himself. It could happen again to someone. An individual gets caught between two or three levels of bureaucracy, feels alone, and does not know where to turn. Fortunately this young man came to me, and eventually we got the matter straightened out. It took considerable effort to get some of the people concerned to move, but finally we were able to work through. When this bill passes and we issue the man with a new social insurance card we can write *finis* to this episode, and I can close the file and put it in the archives.

I might mention that this young man has lost about three years of employment as a result of this experience—he has worked only at casual labour. He is a graduate student in computer science—imagine someone skilled in computer science getting fouled up by a computer. Every time he applied for a job involving a security requirement, this record, which was not really his, came to the front and he was turned down. Hon. members will realize that putting up with this for three years involves a great deal of strain. I wrote letters on his behalf to each company to which he had applied, straightening the matter out so that should he decide to re-apply they would not think badly of him.

Once the new card has been issued we shall go through the credit reporting agencies in Toronto and Ontario generally—we now have this facility since the passing of the new act by the government of Ontario. They will open their records to us and we can straighten out any untruths we find there and record the new insurance number so that no further embarrassment is caused at some future date.

I hope hon. members appreciate the story. It is a true story.

Some hon. Members: Hear, hear!

Mr. Kempling: It could happen to anyone. People who find themselves in a similar position should refuse to take "no" for an answer, because with the proper amount of leverage every obstacle can be removed.

Mr. F. A. Philbrook (Halton): Mr. Speaker, there are many aspects of Bill C-69 one might discuss. I should like to concentrate on one of them—social disincentives and abuses.

Unemployment insurance is perhaps one of the most controversial government programs of our time.

Mr. Alexander: Right!

Mr. Philbrook: Facts are facts. There is no monopoly of brains or insight on that side of the House.

Mr. Alexander: And figures are figures.

Mr. Philbrook: Surely all reasonable people must agree that well-motivated citizens, especially those with dependents, who find themselves temporarily out of work and lacking income through no fault of their own, deserve decent support from their own society.

Many of us recall first hand the depression period of the dirty thirties. At that time there was much less government, much less organization of labour, and many fewer private plans to cover social emergencies. In a very real sense business had the upper hand, even though it had its own problems. And although business is now concerned about the balance of power shifting away from itself—

An hon. Member: Oh, come on!

Mr. Philbrook: I said it was concerned. I did not say it was a fact. Business is remembered as seeming socially impotent during the dark days of the depression. This was one of the main stimuli to growth in the size and power of governments and unions. The out-of-work experience is not only impoverishing but degrading for the honest worker.

Our unemployment insurance plan is not only a permanent feature of our way of life but is recognized by other countries, including the U.S.A., as being one of the best. Nevertheless it warrants continuous review and occasional amendment as times change.

That is exactly what Bill C-69 is all about. These amendments attempt to improve the plan, mainly by doing three things. First, a larger proportion of the premium payments will be paid by the employer and employee, and less by the government, which is being urged on all sides to reduce its spending. Second, it tightens up some areas of the plan in order to discourage abuse. Third, it further rationalizes the plan by eliminating benefits in a social area already covered—I refer in this case to retired people who already receive pensions or who may prefer to continue working.

Such cost saving measures, which also help tidy up and tighten the plan, deserve the support of all Canadians, including those who criticize the government. Unfortunately this is expecting too much from the other side. Responsible action by the government has been greeted only by partisan political bickering. Undoubtedly further changes and improvements will be made from time to time. This bill was not designed to be all-inclusive and final.

On the other hand, in all honesty it must be acknowledged that there is broadly based concern shared by the public over several aspects of the program as it now stands. Some of these concerns involve the terms of the law, some the way in which it is administered, and most reflect a general social malaise related to the economy.

Real abuses probably do occur, in spite of the best efforts of the UIC office workers. Some can and should be corrected, some are very difficult to cope with in practice. In my own unemployment insurance district there are about 12,000 claims on the books at any one time. Of these about 10 per cent are subject to special investigation, and of that number about 70 per cent are rejected as not being valid. This represents a great deal of work and a high level of responsibility.

One might suggest to the public that they report cases of abuse which come to their attention, but people do not appear to relish such a responsibility. I told my constituents that if they reported cases of abuse to me I would see that appropriate action was taken. So far only one case has been reported to me in 16 months. However, I have received many reports of unemployed people who feel they are in dire straits and that the UIC office has been too tough, even to the extent of asking jobless persons to return money.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but it being six o'clock I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Philbrook: Mr. Speaker, when I called it six o'clock I was talking about how tough unemployment insurance offices can be in that they sometimes even demand money back from UIC claimants. I think the hon. member for Winnipeg North Centre (Mr. Knowles) commented that that should not be allowed. Where return of overpayment is due to the government I agree it should not be allowed; where it is due to the claimant I think it only logical that it should be. So at least I agree partly with him on that point.

In our work with UIC officers, my staff and I have found them reasonable and co-operative. Theirs is a tough job, especially in trying to determine whether an unemployed person is sincerely trying to find a job. Still, some critics complain that the earning period for unemployment insurance benefits should be longer and that the period of benefits should be shorter. I wonder whether the worker has much choice about when or how long he is going to be laid off.

Some critics insist that applicants should have to take any kind of job, in any part of the country. Perhaps there is room for some tightening here, but such judgments if extreme could simply be disrupting for the careers of some wage earners, uprooting for their families, and wasteful of human resources for the nation. It could also become very anti-democratic for our society.

Last year the standard stereotype for the abuser of the plan was the young, long haired, anti-social hippie dropout. This year the spotlight has shifted to the middle aged, more respectable types who have on and off concepts of work, housewives and other women, seasonal workers, students of all ages, and so on. These are often people who would keep working given the chance, but who do need and deserve temporary help. However, there is undoubtedly some potential for abuse here also, which should be discouraged.

The provisions for sickness and pregnancy leaves have not escaped criticism either. In these days of humane programs, a lack of alternative illness insurance, and the right of women, married or not, to combine family life and personal careers, these provisions are also worthy. By the way, as my colleague, the hon. member for Peel-Dufferin-Simcoe (Mr. Milne), pointed out recently, the pregnancy provisions need to be as flexible as possible. Women are not entirely predictable, even for medical experts.

Every attempt to help people opens a new avenue for possible abuse. None of us defends cheaters and freeloaders. All of us recognize the importance of the actuality principle in this plan, as much as is possible with a moving target, as much as this is attainable with a fluctuating unemployment rate. We all urge the minister to tighten up the plan as much as necessary, to guard the work ethic and save the taxpayers' money. Just as important, or perhaps even more important, for this whole work situation is to have Canada Manpower and private employers work together more effectively to bring the unemployment and unfilled jobs together.

We all hope that Canadians will try to be knowledgeable, tolerant, and responsible in making this valuable plan work. We cannot afford to bend over backwards trying to straighten up. But we must try to straighten up with government matters like UIC. I believe that Bill C-69 is a step in the right direction, Mr. Speaker, and therefore I would like to register my support for it.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, there is no debate more vital to the part of the country I come from than one associated with unemployment and the benefits provided those who are unemployed, since no area of the country faces the tragedy of unemployment and under-employment to the same degree as Atlantic Canada. Therefore the representatives from that area must, as a responsibility to our constituents, examine as carefully as possible any proposals in relation to this legislation that are put forward by the government and compare them with what has gone before and with what has been suggested by the party of which I am a member, to see whether solutions can be found to the problems of this nation.

Certainly it would be hard for our party to be as devoid of knowledge and thought concerning the poor, the underprivileged and unemployed of this nation as the proposals exemplified in the legislation before us today. There is no way I can support the proposed amendments presented to the House in this legislation, and I will vote against them and oppose them in every way I can.

Who are we going after under this legislation? The one thing that is certain is that we are going after the people who are 65 years of age and over. It is a great tribute to the government that it is earmarking the people who are 65 years of age and older as those who are redundant in respect of the development of this nation and who therefore should be struck off the rolls. One has to be the biggest cheapskate in the world to go along with this plan. Surely this is a great way to look after or reduce the $2 billion deficit. You go after the 5,000 people who are 65 years of age or older and who are still in the work force today and want to stay. They have every right, as far as I am concerned, to these benefits, certainly as much right as anyone else in this nation.

● (2010)

What is the government saying to the workingman who is facing a degree of unemployment that has never plagued this country before? What is the government saying to them? It is saying it is going to put these people in a box. It is going to put the people in the low employment areas such as the Atlantic provinces in a position where the employer can dictate to the employee in a fashion that has never been available to the employer before. The government is going to put an employer in a position that he can say to his employees, "You either toe the line and do what I tell you, or I am going to fire you and you are going to end up not getting any benefits for six weeks."

Almost all employees in my part of the country, mainly because of the policies of the government, are unable to stay unemployed without help for two weeks, let alone longer, because whatever savings they have managed to put together have been used. They are in this position because of the economic policies of this government which has put them out of work for at least part of each year, and unfortunately all too many are now out of work the year around, getting their stamps anywhere they can find them, working part-time on LIP grant projects or something of the sort. I suggest that this is a wasteful type of manufac-

turing. The government could better serve the people in my area if these funds were invested in useful projects that would do something for the local economy from a long-term point of view.

Some hon. Members: Hear, hear!

Mr. McKenzie: You sure have the Liberal stooges hanging up top there.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member for Cumberland-Colchester North (Mr. Coates) has the floor.

Mr. Coates: Thank you very much, Mr. Speaker. I am very pleased to see that you are protecting me from my own.

Some hon. Members: Hear, hear!

Mr. Coates: I was particularly impressed by the comments of the last speaker. He started out talking about the dirty thirties. That is a long story that most people in this country have learned to live with, and I refer to the so-called Bennett days; "the Tory times are bad times." I suggest that if it were not for the $2 billion deficit that will exist this year in the Unemployment Insurance Commission fund there would be more people on welfare across this country than ever could have been the case in the dirty thirties. We now have the Trudeau seventies and they are dirtier than the thirties ever were in any province in Canada.

Some hon. Members: Hear, hear!

Mr. Coates: I was interested in the contribution of the last hon. member in view of a speech he made earlier on June 26. Perhaps other hon. members would be interested to hear him make a speech on the control legislation his government has put forward. On June 26 he was recorded at page 7113 of *Hansard* as stating:

> We must continue to try to make voluntary restraints work with the co-operation of all sectors, with government setting a solid example, but certainly not mandatory controls. Those we leave to the Tories.

Some hon. Members: Shame, shame!

Mr. Coates: With words of wisdom like that from the hon. member we are certainly going to listen long and hard to what he has to say about unemployment insurance and the problems to be faced by the unemployed in the days ahead.

I am interested in seeing how he votes in respect of those mandatory controls that he was going to leave to the Tories. We will see whether he is going to be a sheep, a lamb, or whether he is going to come into the House and vote as he talks, or did talk back on June 26 before the Prime Minister (Mr. Trudeau) told him he had to talk out of both sides of his mouth if he wanted to live with this government, in view of what it says today and will say tomorrow, squandering taxpayers' money day in and day out.

An hon. Member: A true Grit.

Mr. Coates: But unlike John Wayne who is a different kind of true grit.

An hon. Member: He has got grit, though.

Mr. Coates: I could quote the Postmaster General (Mr. Mackasey) ad infinitum regarding this great insurance scheme and what it was going to do for the workers, how it was going to be in balance, actuarially sound, and do all the other things that he said it would when presenting the legislation. He told us about the dollars he was going to get from the pockets of the employers and the employees. All we have to do today is look at what has happened this year and compare it with that benchmark of 4 per cent unemployment. We know this is the biggest fraud that has ever been perpetrated on the public.

Some hon. Members: Hear, hear!

An hon. Member: Oh God, I can't take any more.

Mr. Alexander: What do you mean you can't take any more? You sit right there and listen.

Mr. Coates: Mr. Speaker, the deficit we have right now in the unemployment insurance fund would be sufficient to harness the tides in the Bay of Fundy and produce employment for 30,000 people in the Atlantic provinces. That is how big is the deficit we are now facing, and this gives you some idea of the magnitude of money being spent because the government miscalculated in respect of this scheme that was supposed to be actuarially sound and of benefit from a stop-gap point of view to thousands of employees who found themselves out of work.

The government brought in this new grandiose scheme in true Trudeau style. Everything was for the people. The only trouble is that in this just society the employers and the employees end up paying, rather than the government. The government now is transferring a part of this $2 billion deficit to the employees and the employers. This legislation will pick up about $800 million. The government says it is not going to take it out of the pockets of the people; but somebody has to pay the bill, and in fact it will be the same people except a smaller segment; namely, those who work and do business in the country. Those are the people who will pay at least part of the bill from now on as covered by this legislation.

Mr. Alexander: That's true.

Mr. Coates: This is the just society.

Mr. Alexander: I remember that.

Mr. Coates: This is the great society that was to eliminate all the problems facing Canadians, except those of the workers. The Prime Minister (Mr. Trudeau) told a great many people that they did not have to work if they did not want to.

• (2020)

Mr. Alexander: I remember that.

Mr. Coates: There have been fewer working ever since. The Prime Minister has done more to put people on the street and out of jobs than any other Prime Minister in our

history. Let us go back a little because some hon. members opposite were not here in the days between 1957 and 1963, and do not realize what a tremendous government the Diefenbaker administration was for the people of this nation.

Some hon. Members: Hear, hear!

Mr. Coates: That government left behind a legacy for this government which this government has messed up in every way possible since taking office. Let us look at the five years between 1957 and 1962. Total production in Canada was up 26.6 per cent. Exports were up 30.8 per cent. Employment was up a half million. Farm income was up 19.3 per cent. Labour income was up 24.8 per cent. Profits before taxes and before inflation—this should be of interest to the government—were up 17.4 per cent. Social justice was up 79 per cent. I do not refer to the kind of social justice we see here which picks the pockets of a person. I refer to the type of social justice which provides a person with respect and as much dignity as possible in this nation. That is the kind of justice we had in the period of the Diefenbaker administration. Payments to provinces were up 124 per cent in a five-year period.

Mr. Guay (St. Boniface): Are you against that?

Mr. Coates: Against it? I am telling the hon. member, now that he is coming alive, that these are the things that were done for the Canadian people by John Diefenbaker, and I am asking him to compare these things with the performance of the government of which he is a member at this time. When he does that I am sure he will join us; he could not do otherwise if he is sensible. When we look at the facts we cannot help but see how much better that government was than this government.

Today we hear much talk about inflation. This bill will produce a great deal more inflation. The employees in this nation will be thinner because the chunk being taken by the Unemployment Insurance Commission will be bigger. The prices their employers will have to charge for the products those employees produce will have to be higher because they will have a chunk, estimated at $400 million, taken out of their pockets to pay the extra benefits that will be demanded under this legislation. We will find employees with less money in their pockets and prices will be higher than they are today because of this legislation.

The government talks about restraint and what we are supposed to do to try to hold down wages and prices and then wonders why the CLC and the working men across this country oppose restraints. They do so because of announcements such as that made this afternoon by the housing minister and because the government produces inflation every day. It does not know how to stop it. At the same time, the government tells the people they must accept this legislation, that they will be told how much they may earn, and that an attempt will be made to keep prices down.

The government says it does not know whether or not it can keep prices down because there are many ingredients involved. It says it is not sure about this but that it will make the attempt. The government makes attempts to bail itself out, such as it is doing by means of this legislation. The working man will be in trouble. I do not know who is not in trouble today because of the government and the way in which it attempts to run the country.

An hon. Member: It could not run a peanut stand.

Mr. Coates: That is right. As well, the peanuts probably would be old, soft, and not very good. There would probably not be a customer for the peanuts because the reputation of those people over there is not very good in respect of selling anything from peanuts upward. When we talk about inflation and competent managers of the economy in this nation we should look at what has been said about the Diefenbaker administration when it held office. This is what *Canadian Business Magazine* had to say in September, 1962:

> A 12-nation comparison of retail price increases over the 12 months shows that Canada has been the most successful in keeping down the cost of living. The Canadian increase was just under 1 per cent. The US was only a shade more. Biggest increases were in France, Holland and the UK where the cost of living rose by over 5 per cent. In Germany and Sweden it rose by 4 per cent.

The administration with which the parliamentary secretary over there is acquainted produces double digit inflation. Everything is double digit, whether it concerns the car in which the Prime Minister drives around, or his swimming pool. The Prime Minister won his just society and his Watergate, but the rest of us are paying for it. This is a bitter pill for us to swallow today, day in and day out.

This is bad legislation from every point of view. Many Canadians day in and day out, year in and year out, pay their dollars into the unemployment insurance fund and cannot get anything out of it. Paying into the unemployment insurance fund is just an added task they must accept every day and every month they work. Now the government says it wants more of their money. The government tells the people they must pay more for working every day. There must be a method whereby these people when they reach age 65 are not cut off and cut out.

We should have a scheme whereby those who work and never draw benefits but pay into the fund day in and day out would be able to receive some benefit in a realistic way at the end of their working careers. If they work continually and contribute to the fund they should derive some benefit for the contributions they have made over a lifetime. I do not like a government which tells the people in my constituency that they must pay into the unemployment insurance fund year after year and never draw anything out, and that if they want to work until they are 70 years of age they can work until they are 70, but they will receive no benefits after they reach 65. These people will receive nothing for the amount of money they paid into this fund over the years even though they have not drawn anything out of it.

A government with a heart and a soul would try to produce a scheme which would tell the people that it would provide an incentive to work, not for nine months followed by a three-month period in which they would receive unemployment benefits, but for 12 months of the year during which time they would pay benefits, and that an attempt would be made to work out a method whereby some of these benefits would be treated as insurance and some would be treated as an investment toward retirement. That is the kind of government the people of Canada

want, rather than a heartless government which tells people that when they are age 65 they will be cut off no matter over how long a period they have contributed to the fund.

The hon. member for Hamilton West (Mr. Alexander) pleaded with the government to extend the qualification period. He warned what would happen in respect of this bill if that were not done. But the Liberals had all the answers. They always have all the answers until the bill comes in and then the answers become the taxpayers' answers; they pay the bills for the proposition the Liberals put forward.

● (2030)

I have never known a government that was able to run out of answers and run away from problems as quickly as this government does once things go bad, and they are mighty sour right now in so far as unemployment insurance is concerned, sour with the working man, sour with the businessman, and sour with the man on the street. Now they are adding a whole new spectrum and they will be sour with the older citizens of this country, the people whom we should be looking after more than any others in this country because of the tremendous contribution they made when times were tough, when they did not have the opportunity to save the way people do today, that is if there is any value in saving today when inflation is eating money faster than people put it in the bank. For a measly $3 million the Liberals cut 5,000 off and threw them adrift. They did not worry about them at all.

When the hon. member for Hamilton West (Mr. Alexander) proposes to them that they leave the provision regarding people 65 years of age and over out of this legislation, do you know what they will say to him? They will say, "In no way! We have all the answers". Once again they will have all the answers, but when this thing crashes, as does everything around this government, they will be deaf and they will laugh. These are the cynical ones, the uninterested, the unfeeling.

An hon. Member: Deceitful.

Mr. Coates: Yes, these are all good adjectives with which to describe this government to perfection. As the hon. member for St. Hyacinthe (Mr. Wagner) said today to the Acting Prime Minister (Mr. Sharp), call the by-election in St. John's West. We will make Hochelaga become a great cry of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Coates: One after the other the Grits will fall.

Some hon. Members: Hear, hear!

Mr. Coates: No one else but the Prime Minister himself told the Grits not to be frightened, to forget about Hochelaga.

The Acting Speaker (Mr. Turner (London East)): Order, please. I suggest that the hon. member revert to the subject of Bill C-69.

Mr. Coates: I thank you for your advice, Mr. Speaker. I am on Bill C-69 and I am referring to the kind of effect that it is having on the public, and what the public is trying to say to the government through the ballot box. What it said in Hochelaga it will say in St. John's West.

An hon. Member: What about Restigouche?

Mr. Coates: It said it in Restigouche also. I suggest to the hon. member that if he is so sure of things why does he not resign his seat and stand in the by-election there, and we will see how well he does?

Some hon. Members: Hear, hear!

Some hon. Members: Come on!

Mr. Coates: I say to the government that the public is saying through the ballot box, "We don't like what you are doing". If you heard the Prime Minister on Saturday or Sunday when that CBC program was aired, you would know he was telling you you are in trouble. Let me tell you that you are in trouble because of legislation like this. He is telling you that you could very well lose the next election. I will be even more pessimistic than he was and say that you will lose the next election.

Some hon. Members: Hear, hear!

Mr. Coates: I suggest to you, Mr. Speaker, and through you to your Liberal colleagues: calm down, do not be frightened before your annual meeting; do not give the public the impression you are upset about the resignation of the former minister of finance who has wiped his hands of you people all together. We do not see him any longer; he does not say anything. I would say he has not only repented, he is meditating. I think meditation must be good for the soul because he has done a lot of it since he resigned. He must have been a great sinner because he has been in meditation ever since. He may be in purgatory now, but he may come back. All I can say, Mr. Speaker, is that he left the country in purgatory, and we sure know it today because of the financial policies that were put forward by the government during the period when he was minister of finance.

I do not know about the present Minister of Finance (Mr. Macdonald) but he is certainly starting out the wrong way. I can only hope that salvation will come to him before he too gets to purgatory, where he may well be descending at the present time.

The government had better smarten up to the fact that the legislation it is producing is not what the people of this country want. When a government talks about restraint and brings in legislation which is inflationary and destructive to the pay cheques of the working men of this nation, and at the same time tries to get them to reduce their demands for the incomes that they feel are required to match the inflation that exists, we know that its schemes will not work, especially when it is a government that practises no restraint itself.

Certainly the government does not practice restraint. If a cabinet minister wants an airplane to fly somewhere, there are lots around. We hear about problems with gasoline, but there are no problems with gasoline when a cabinet minister wants an airplane to fly him across this country. If he wants his office redecorated there is no

problem with that; it is done. There is no end to the way they spend money on themselves, while at the same time asking the rest of the people to practise restraint and be careful in the way they spend their money.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I am delighted to take part in this debate after listening for several days to the kettles calling the pots black and vice-versa.

I was particularly interested to hear the hon. member who spoke ahead of me refer to the great Diefenbaker years. He is quite right. When it comes to unemployment and unemployment insurance, the Conservatives now take second prize. The Liberals have made unemployment slightly worse than we had in 1959, 1960 and 1961, if anybody would care to check the figures. In fact the hon. member made the same mistake as the Liberal spokesmen have been doing since 1968, referring to an increase in employment but neglecting to mention the increase in unemployment when the Conservatives were in power from 1958 to 1962. I wish he had quoted those figures because he would have realized that the Conservatives now are in second place, as usual, but they are also in second place in creating unemployment.

● (2040)

Mr. Gillies: It's a lot better than third.

Mr. Benjamin: Since we have no place to go but up, I can feel free to cite this kind of example—

Mr. Gillies: You went down the last time.

Mr. Benjamin: —of the kettle calling the pot black. I should like to remind the House that in 1926 an hon. member of this place secured a letter from the then Prime Minister of Canada containing a commitment for old age pensions immediately, and sympathetic consideration for a system of unemployment insurance. This did not in fact happen until the period of 1940-41. It only took another 13 or 14 years to get that from the Liberal government. However, I can also recall as a kid in the dirty thirties hearing the Tories say that if there were an unemployment insurance plan it would destroy the incentive to work, and there would be abuses with people stealing public funds and defrauding the public. In fact we heard Tories in those days talk about stopping old age pensions because they would destroy the incentive to work. I find it amusing now that in dealing with this legislation these great friends of the working people are associating working men with businessmen.

I should like to remind my hon. friends on both the government and official opposition sides that in spite of all their propaganda, talk, innuendo, inference, and blame about so-called abuses and misuse of unemployment insurance, the reason for the fantastic deficits in the unemployment insurance fund and for the expenditures required at the expense of taxpayers is not because the claimants and beneficiaries under UIC are lazy, no good, do not want to work, or want a free ride on the UIC fund; it is due to high unemployment and no other reason. This may not be so in Saskatchewan where the figure is down to 1.9, which must be some kind of record. It is the best in all of Canada. Innuendo, inferences, and bald statements by various and sundry free enterprise spokesmen, columnists, and editorial writers that it is due to no-goods and free-riders who are abusing the unemployment insurance fund are untrue.

I was hoping for items in this legislation which would correct many of the problems every member of this House has had brought to his attention since the last time we dealt with a UIC bill, and I cannot find any. If each hon. member will check his correspondence for the last several years, there were literally hundreds and sometimes thousands of cases of UIC claimants who had been drawing benefits and then became disentitled, or were prevented from receiving benefits in the first place. I hope that some hon. members on the government side, including the minister, will consider the difficulties we have had, let alone claimants for UIC.

Let us talk about the matter of disentitlement. I see no improvements in this legislation which would correct the present act for the claimant who has been drawing benefits and is then called in for a job search interview and asked all those leading questions. He is not told what the ground rules and regulations are to begin with. Even if he is 100 per cent honest, he returns home and a week later receives a form letter, which may or may not have been signed, saying that he is disentitled.

The whole issue of what is suitable employment is reasonably well described in the legislation now, but it is badly applied. The matters of rates of pay which will be acceptable to the claimant and the commission, the kind of job the claimant can and will accept and is able to do, the limited area in which a claimant can or will work, are not covered in these amendments.

The minister is sitting here checking his mail, and I hope he has answered a few letters I have written to him in the last weeks, and will tell me what a member of parliament can say to a constituent who lives 87 miles from Regina who, when called in for a job search statement was asked many leading questions and then told that because she limited herself to employment in the village of Semans or within a radius of 25 miles, which included four or five other villages, she was disentitled because there were no employment opportunities in the villages of Semans, Govan, Strasbourg, Raymore and Nokomis. She was told that if she would seek employment in Regina and could prove that she was actively seeking employment 87 miles away, several times a week, they would reinstate her benefits.

I do not see anything in these amendments which will do anything about that kind of ridiculous situation. The policies of this government and its predecessors and large corporations denuded rural Canada of employment opportunities, did away with thousands of implement dealers, post offices, railway stations, oil company bulk stations, and other enterprises in rural Canada, which lost us tens of thousands of employment opportunities. However, if a person happens to live in a rural area and cannot find a job in the town or village in which he lives, and if he is not prepared to drive 75 or 100 miles two or three times a week—that is, each way—he is disentitled because he has limited himself to an area in which the commission says there are no opportunities for employment. What kind of nonsense is that?

I suggest that the minister resign, go out into rural Canada, limit himself to a 50 mile radius, and become disentitled to his UIC benefits. The problem is that members of parliament are not entitled to them, even though we tried to persuade the minister's predecessor to include members.

Mr. Andras: Saved by the bell.

Mr. Benjamin: It would be a good lesson for a defeated member of parliament to become disentitled if he is not prepared to drive 50 or 100 miles two or three times a week to prove that he is willing, able, and actively seeking employment.

I informed the minister of a problem in my constituency; someone in his department has replied, but I am waiting for the minister's personal response. A gentleman in my constituency by the name of Peter D. Bartram happens to be a claimant. He is a client of a lawyer who sent me a fair amount of correspondence. This claimant has a Bachelor of Arts degree, a Bachelor of Education degree, and a teacher's certificate. He was advised by a board of referees that the commission has a right to withhold notice that the terms of coverage have changed. I should think that the claimant would have the right to be aware of those changes of coverage, but he was not entitled to know that the new terms meant automatic cancellation of coverage. I hope the minister will look into this. The same member of the board, the chairman, indicated that the claimant, and I quote: "can go out and dig ditches or sell shoes."

The lawyer who sent this letter says that he feels this is a faulty interpretation of section 40 of the act. I checked the bill, and I cannot find any amendments to that section of the act. However, there is an amendment to section 40(1). Yet there is no amendment to correct the sorts of problems created for UIC claimants by sections 40(2) and 40(3). I suggest that we are considering much more than a mere exception. You do not expect a man holding a Bachelor of Arts degree, a Bachelor of Education degree, and a teacher's certificate, to cheat, and to be turned down by the chairman of the board of referees. Of course the crowning insult came from the chairman of the board. The chairman of the board in Regina is one J. Walter Erb, about whom I will say no more, except that I question his competence.

● (2050)

You know, no matter before which board of referees you go in Canada, if you want to appeal a decision of the board you can only get leave to appeal from the chairman of the board, who must rule on his own previous decision. I am not a lawyer, and when I read something like this I am glad I am not. Since when does a judge sit in a right of appeal on his own decisions? Since when have judges decided if their previous decisions are correct? Really, I find this provision strange. I should think the minister would want to appoint some impartial person to adjudicate, or even adjudicate himself, when it is necessary to consider the decision of the chairman of the board of referees. Since when must you go before the individual who decided your case in the first place and who says, when you seek leave to appeal, that you cannot appeal to the umpire? I remind the minister that we are talking about a fellow with Bachelor of Arts and Bachelor of Education degrees and who is the holder of a teacher's certificate, hardly the sort of person who does not want to work.

Mr. Gillies: I don't know about that. I know lots of fellows like that.

Mr. Benjamin: Perhaps if you were a lawyer or economist, the allegation might be true. But this injustice is not corrected in this legislation. I suggest that the minister should review the correspondence, particularly letters sent by the chairman of the board of referees in Regina, and consider why the chairman of that board refused the claimant leave to appeal the decision of the board of referees. Mr. Speaker, without such intervention the claimant does not have a chance. He is appearing before a hanging judge. He might as well forget about appealing the decision of the board of referees if the chairman of the board can say to the claimant, "You have not presented new evidence; therefore what I said previously stands and you cannot appeal." As I say, nothing in this legislation corrects this.

At the beginning of my speech I spoke about events in 1926. A former member for Winnipeg North Centre, when he was here, secured from the then Prime Minister of Canada the promise of sympathetic consideration for legislation bringing about unemployment insurance. The then hon. member for Winnipeg North Centre, J. S. Woodsworth, was dedicated to helping the unfortunate people of this country, and to protecting those who fell victim of our free enterprise society. Of course if we were a civilized, democratically planned, Christian, socialist society, there would be no need for unemployment insurance.

An hon. Member: We should be in heaven.

Mr. Benjamin: At least there might be a minimal need. But, lacking such a society, we need to protect the victims of a free enterprise system which, year in and year out, numbers its victims in the hundreds of thousands, no matter whether the government is Tory or Liberal. They are the same breed of cat and there is nothing new about them. The present hon. member for Winnipeg North Centre (Mr. Knowles) can show you his card from the Unemployment Insurance Commission dating back to the first year of operation. He has carried on the fight for a decent insurance scheme which will protect against unemployment the victims of our free enterprise, capitalist system.

The government's legislation is not designed to treat sensibly, decently, and in a civilized way people who lose jobs through no fault of their own, whether because of geography, climate, the kind of occupation they follow, or any other reason. It is not designed to help them.

The Tories have said little about this subject. With one breath, out of one side of their mouths, they talk about the poor working man; with the next breath, out of the other side of their mouths, they talk about abuses. Let us consider some of the figures relating to abuses. According to free enterprise spokesmen, the saviours of our free enterprise system, editorial writers, and others who speak in this House, most of the people drawing UIC are no-good bums. Well, look at the figures.

I agree that a few people cheat on unemployment insurance. If they numbered as many as those who cheat in business, cheat on income tax or in corporate operations, our society would be in deep trouble. But the numbers are not large. Of course there are some abuses. Abuses are likely to arise in connection with any fund. The 1971 bill was designed to cut down abuses. There were penalties for those who quit jobs without cause, or who were fired for misconduct. There were penalties for refusing to work. We think that these provisions are sound and will cover most cases. Of course any system designed by human beings can be abused.

Man's ingenuity in evading regulations is endless, especially in a society in which we teach our children, from the time they can stand, how to get around the law and regulations, and how to make a fast buck.

An hon. Member: Who does this?

Mr. Benjamin: All you need do is watch television advertising, and listen to businessmen and heads of chambers of commerce. Our kids are brainwashed from the time they are yea high.

I emphasize that the incidence of abuse is not high. Actually it is low when you consider the numbers each year going through the unemployment insurance system. Any member who thinks that we are in trouble because the UIC fund is being abused and because people will not work should look at the statistics provided by the UIC Commission itself. In 1974, when a lot of people were unemployed—it was a slightly worse year than the worst year of the Tories, 1960-6,—860 claimants were found guilty and fined; ten more were sent to jail or given suspended sentence. Therefore 870 people out of 2,400,000 odd claimants, or less than half of one per cent, were found guilty of cheating.

An hon. Member: They were only the ones caught.

Mr. Benjamin: I hear an hon. member claiming that they were only the ones caught. The other day in the debate the minister in charge of the UIC interjected to the effect that two million people were disentitled.

Mr. Andras: No.

Mr. Benjamin: Mr. Speaker, on October 28, as recorded on page 8633 of *Hansard*, the hon. member for Timiskaming (Mr. Peters) said in part:

> The minister has mentioned that there have been 250,000 disqualifications out of ten million claims. Is that very many?

The minister interjected, "It is two million."

Mr. Andras: Two million claims.

Mr. Benjamin: There were only two million claims?

Mr. Andras: That is right.

Mr. Benjamin: And there were 250,000 disqualifications, in two million claims?

Mr. Andras: In one year. That figure is for voluntary quits alone.

Mr. Benjamin: According to the minister's own figures, of a quarter of a million people disqualified, a mere 870 were found guilty of cheating. Is that right?

Mr. Andras: That is right.

Mr. Benjamin: And ten of the 870 were sent to jail. That hardly qualifies as a massive abuse of the UIC fund. Why, this talk of abuse is nothing but lip, nothing but a crime perpetrated against an excellent social program. It is designed to do nothing less than give employers the chance to hire people, who would otherwise be unemployed, for cheap wages.

• (2100)

That brings me back to the whole business of the reasons for disentitlement, what one must do to be reinstated, and the rates of pay they will accept. Of course you can tell the fellow with the Bachelor of Arts, Bachelor of Education and teacher's certificate to sell shoes and dig ditches. But during his prior employment he may have purchased a home and have monthly payments of $200. In addition, he may have three or four children, and cannot support them by digging ditches or selling shoes.

What kind of a job will such a person accept? During the job search interview, he is asked leading questions. When it is put to him that he would not want to work for so much less than he earned before, quite naturally he says no, he would like to get $5 or $6 an hour as he was earning $8 an hour previously. If he is foolish enough to sign a statement saying he will not work for less than that amount, a week later he will receive a form letter, probably unsigned, saying that he is disentitled because he limited himself to the amount of pay for which he will work.

There is a stacked deck against those who are normally hard-working, who have contributed to the fund, and who are unemployed when there are high rates of unemployment. The deficit which the government faced in the last several years in the UIC fund is not because of abuses but because of high unemployment. Surely the government could have learned a lesson from its fight against inflation in 1969 and 1970 when unemployment rates jumped almost in direct proportion to its fight against inflation, something ministers claimed they had wrestled to the ground.

The government now proposes a new battle against inflation without at the same time fighting unemployment. It brings in legislation that nit-picks around the edges and that does not provide a fair shake or fair hearing for those claiming unemployment insurance benefits, legitimately or not.

It is even difficult to defraud the UIC fund, something for which we should be grateful. In fact four years ago, the government and parliament devised legislation that was pretty good. It is the application of that legislation with which members on all sides quarrel. We quarrel with how it is interpreted and applied.

When the minister returns to his office I invite him to read the correspondence I have been quoting. I refer him to an application for leave to appeal dated September 17 which was rejected by the chairman. If he will check further he will see correspondence to which, to my knowledge, he has not replied. I quote the correspondence:

—the procedure outlined under the Unemployment Insurance Act is highly improper. When it is felt that the Board of Referees have widely mis-construed the purpose of the act, the materials before the board, previous decisions of the Unemployment Insurance Commission, the wording of the statute, the proper remedy is to appeal. If this amounts to a recapitulation—I do not feel that this is a proper grounds for denying an appeal. Furthermore, the chairman of the board of referees in the case in question was in fact the party who put forth their interpretation of Section 40(2) of the act. To ask him to allow an appeal on the basis of his interpretation is asking a lot of a human being.

It is asking a lot, even if he were impartial.

It is suggested that his interpretation is in fact faulty and that with this in mind it would only be proper to submit the case to a higher authority for clarification as to the correct interpretation of the section.

Section 40(2) deals with suitable employment. I wish the minister would read it and make his officials apply it. Section 40(2) reads:

40(2) For the purposes of this section but subject to subsection (3) employment is not suitable employment for a claimant if it is:

(b) Employment in his usual occupation either at a lower rate of earnings or on conditions less favourable than those observed by agreement between employers or employees, or in the absence of any such agreement, than those recognized by good employers;

I suppose we in this House should say that most employers are good employers.

(c) Employment of the kind other than employment in his usual occupation either at a lower rate of earnings or on conditions less favourable than those conditions that he might reasonably expect to obtain,—

Mark the next words:

—having regard to those conditions that he habitually obtained in his usual occupation, or would have obtained had he continued to be so employed.

That is the way the act reads at the moment. This person with the Bachelor of Arts, Bachelor of Education and teacher's certificate was told by the board of referees that he could sell shoes or dig ditches. I cite this only as an example of thousands of cases of people denied appeals by the chairmen of the boards of referees who ruled them out of court in the first place. This is not justice of any kind, including poetic. There is nothing in this legislation to correct that kind of situation.

I am not worried about abuses of the unemployment insurance fund. Whatever percentage of abuses there may have been in the worst period of time over the last number of years is minuscule compared to the thousands and thousands of people in this country who began to draw benefits and were later disentitled for a variety of reasons. They may have refused to drive 200 miles to work. They may have a university degree and not be fussy about digging ditches. By limiting themselves to the kind of occupation they will accept, they are disentitled.

It is very natural to limit one's self to an occupation. If a person knows only one or two kinds of jobs, he may be careful about signing a paper to the effect that he will accept several kinds of employment. I would hesitate to volunteer to a UIC search officer that I am willing to do a job that I know nothing about and in which I have no experience. I could lie, accept the job, last two days and then be fired. The commission would then say that, according to the act, I have been fired for just cause and, therefore, am not entitled to benefits. The deck is stacked against anyone who is work conscientious. It is stacked against him under the present legislation, and even more so with these amendments.

If the government had brought in with its so-called improvements to the legislation some kind of program for full employment, in co-ordination and conjunction with its program to fight inflation, it would have some sympathy in this House. However, as it is now proposing to amend the act, there is no way that I or many other members can support it. The government must be prepared to come up with a lot more. It must recognize instances such as those I have cited. Cases have also been cited by the hon. member for Halton-Wentworth (Mr. Kempling), and others.

Until the government is prepared to do more, it should not be surprised that we oppose its amendments. It should not be surprised that some of us at least are not prepared to co-operate with its so-called phoney fight against inflation. We also object to its measures when it fails to bring in a program of full employment.

The mess in the government's housing program was compounded today by the Minister of State for Urban Affairs (Mr. Danson). We are now confronted with these bad amendments to the Unemployment Insurance Act, an act which could otherwise be made to work in a fair, equitable, and just manner. It is adequate to eliminate, rule out, or catch up with those who abuse or misuse the UIC fund. The minuscule number who do that should be thoughtless of and more thought should be given to the hundreds of thousands who are denied benefits or have them cut off, people who are not lazy no-goods, but people who want to work.

The Acting Speaker (Mrs. Morin): Order, please. I regret I must interrupt the hon. member, but his time has now expired.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Madam Speaker, Bill C-69, concerning unemployment insurance and still under discussion in the House today, has more specifically the following objective indicated in the bill itself and I quote:

An Act to amend the Unemployment Insurance Act, 1971 to add, in the manner provided, a new class to the existing classes of insurable employment; to provide, in the manner prescribed, for changes in qualifying periods, benefit periods, entitlement to benefits and, rates of benefits; to provide, in the manner prescribed, for a new basis for the calculation that determines the proportion of the basic cost of benefit for a year that will be borne by the Government; to make the employer's premiums of Her Majesty in right of Canada payable by statute; and to provide for the payment of allowances to persons or their representatives who attend before an umpire on an appeal from a decision of the Minister.

All these fine words, Madam Speaker, merely to say that the government has decided to go into action and apply the axe to the existing Unemployment Insurance Act in an attempt to save Canada from the claws of inflation. If we wanted to introduce this bill in more simple and more concrete terms, one could simply say, at the beginning of the text, the following:

His Excellency the Governor General has recommended to the House of Commons the present measure to amend the Unemployment Insurance Act, 1971, in such manner as to allow the federal government to ride roughshod over the unemployed who are mostly responsible for the economic problems facing our country. This image may appear a

little exaggerated, but nobody can sincerely say that it is not to a great extent realistic. What strikes me most and prompts me to make such a comparison is the fact that Bill C-69 is the very first important bill to be discussed in this House immediately after the Anti-inflation Act.

Yet the first people the government is tackling, supposedly to curb its expenses, are those very people who are already in trouble on the social and economic levels—the unemployed—as if those people were the first responsible for the inflationary crisis facing this country. If we want to be in the least honest, let us admit that unfortunately those people are rather among the victims who have to get along as well as they can in a situation where jobs are growing scarce. Besides I honestly feel, and all hon. members in the House will agree with me, that the unemployed who actually do not want to work account only for a very small minority and that the vast majority of the unemployed would be very glad to get overnight a decent job to provide for their families and lead a normal life.

● (2110)

Madam Speaker, being close to those people, listening to their problems, as the true role of a member of parliament requires, is enough to realize that most unemployed did not choose their situation. Quite the contrary, most of the time those people go through very trying, not to say in some cases tragic, experiences. I try as much as I can to keep in continuous and close contact with my constituents of Richmond riding and I know what is going on. I am sure that most members have heard of very sorry cases in their riding and that those people—I mean the unemployed—did not have much chance to express or defend themselves at the unemployment insurance office.

Officials, Madam Speaker, often keep back from the unemployed explanations on what the law contains and what they can do to get the chance of collecting a small amount of money every week to survive or pay their bills.

I want to blame directly the civil servants working in the unemployment insurance offices who never say anything to help the case of an unemployed worker progress, either by explaining to him or her what the situation of the file is, suggesting to him or her what avenues are available under the Unemployment Insurance Act, or simply telling him or her: "Sir, Madam or Miss, you must seek employment, and our conditions are such and such." No, they prefer to keep quiet and listen to the unemployed who is speaking and the next day, the situation is unchanged. The poor unemployed has only one privilege; to go and see his or her elected representative and say: Please help me; I have come to a dead-end and I cannot get my unemployment insurance benefits to which I think I am entitled.

In many cases, Madam Speaker, if only the officer at the unemployment insurance office, in Sherbrooke or somewhere else, had opened his mouth to explain to him—if he knew, of course—he probably does not know, he may not have read it. But if he knows, he should speak up and explain the problem to him, what bothers him, what stops him, what prevents him from receiving benefits, all that, the coming back and forth and sometimes the 70, 80 or 90 miles he must drive to go see his M. P. and say: Listen, you must help me, because I have problems with my unemployment insurance. All those things would not happen and we would avoid those expenses, hardships and sacrifices of the unemployed in respect of their personal rights, if we had adopted a more humane legislation.

For all those reasons I find it inappropriate and even indecent to see the government, as its first anti-inflationary measure to cut those expenses, go after that class of citizens who are above all victims of the present economic situation, a measure which will only add to their problems, serious enough as they are.

Yesterday, Madam Speaker, I had the opportunity of reading the Senate *Hansard* for last Thursday, October 23. One speech held my attention in particular, that of Senator Perrault dealing with the economic situation and the current government offensive against inflation. It is worthy of note and it could, in particular, help us place Bill C-69 in its true context, and realize how nefarious its consequences could be.

The hon. senator indicated first of all that if inflation persists or increases, it can compromise an economic revival and merely increase unemployment; later on, he described the present situation with considerable eloquence and perception and I quote:

● (2120)

> Of all evils that afflict our society, inflation is now without doubt the most intolerable and the most insidious. It is the most intolerable because, more than any other, it exacerbates social injustices by attacking first of all the weakest and the poorest of our citizens: those who live on fixed incomes. Those who see their life savings melt like butter in a saucepan. Finally, those who are not in a position to protect their purchasing power because they are in no way able to unite to defend their rights to an adequate income.
>
> It is also the most insidious evil because we tend to consider inflation as a fatality against which we are helpless, except to save our own skin by sacrificing our neighbour's.

That last sentence, Madam Speaker, strikes me as unfortunately too true, and it could apply to Bill C-69 now before the House.

The government let problems pile up before reacting and now they are like a drowning man struggling desperately; they are trying to save their bacon by sacrificing their neighbour's. The worst off is the poor unemployed. The unemployed's bacon is sacrificed. They try to recover $1 billion at the poor's expense. How strange with a government which is supposedly democratic, which is reelected year after year. It looks like the electorate do not get fed up with being taken in. I say "taken in", Madam Speaker. In particular the poor are being "bought" for $2 often to vote or for something else. They are getting taken in again and again and they always vote the same way. Why? To be exploited. They cannot even afford any more to pay for their groceries.

Those of my colleagues on both sides of the House who refrain from speaking about this do so perhaps because they never went in a home where there are still children with bare feet in January, February and March. I do not exaggerate, Madam Speaker, I simply say the facts. When we go in the house, we hear: "I have been waiting for my unemployment insurance cheque for one month". In Montreal, the computers are out of order. I think that in several cases it is not the computers which are out of order but the brains of some administrators or some of our officers. That

is dangerous. A computer can be repaired, but brains very hardly.

Madam Speaker, what surprises me most in this bill is that the first scapegoat who falls under the hand of the governement is still the unemployed. Yet, in the same sense as indicated by the hon. senator, whom I cited earlier, they also are concerned and facing serious social injustices, because they are at a disadvantage in a sense, unable above all to protect their purchasing power which weakens day after day because of the rising cost of living. Before such clear and precise facts, this bill becomes still more illogical and even appears to come from another era, flying in the face of common sense as it does.

In fact, the bill was announced in the budget speech by the former minister of finance quite a while ago as he expressed his intention to cut down on government's expenses to break inflation. Even at that time, the bill would do not have been timely because it might have increased the uneasiness caused by inflation. It is just as simple as that. The poor are always blamed. It is very bold of a poor man to try to get $10 more than he is entitled to. But when a rich man manages through artful trickery to cheat the Department of National Revenue of $100,000 or even only $10,000, everyone in his accountant's office applauds, ulesss it is at the cocktail parties which are thrown here and there.

But not the poor. It is too bad, he just got $10, it is dangerous. He has nothing with which to defend himself and that is why he is abused. I think one could have at least expected this legislation to undergo in-depth changes to really help the unemployed, instead of crushing them, while putting in place at the same time the mechanisms necessary to avoid abuse and detect those who may take undue advantage of the unemployment insurance plan, something on which I agree entirely with the Minister of Manpower and Immigration (Mr. Andras). By the way, I do not agree with creating generalized misery because of one-tenth of 1 per cent who take undue advantage of unemployement insurance.

Madam Speaker, I want to say that we of the Social Credit are going to vote against this bill because I think it does not lead anywhere and causes even more suffering in this country. If the bill is accepted, on the one hand, the government will save $560 million in benefits that it will no longer be paying out and, on the other hand, it will go out and get $490 million more in the form of employer-employee premiums which represents a considerable loss to people. The three-week period during which the unemployed are not entitled to benefits if they quit their jobs themselves will be increased to six weeks without serious consideration for reasonable human motives. Madam Speaker, this is very serious for the following reason: In certain parts of Canada, in the province of Quebec and in the Maritimes people work for $2.60 an hour to support a family of three, four or five children.

They are being forced under this new unemployment insurance legislation to wait six weeks before receiving their first cheque when they are already in the red because the basic salary does not provide a decent living for their families. They are being forced to wait six weeks on top of that, and they are being punished if they leave their jobs because they can no longer live on their salaries, let alone provide a living for their families. Once again, I think it is scandalous in a rich country like ours.

Claimants with dependents will see their special benefits reduced from 75 per cent to 66⅔ per cent while the cost of living increases steadily.

On the other hand, people aged 65 or more will not be entitled to benefits and will not contribute to the program any longer although they paid all their life without drawing benefits and this, under the pretext of reducing the overlapping of social security programs lest, I suppose, older people get too much security. Those are, Madam Speaker, some of the main provisions of this legislation that the government presents in a such positive way and that is supposed to help the unemployed and the government.

Who stands to gain help from that bill? Certainly not the unemployed, Madam Speaker. Some members of this House will say: This project will help the unemployed. And they add: We are going to recover $1 billion from the unemployed, the employers and the employees. Where is the logic, Madam Speaker? Where is the logic of those senior officials who are giving to this government such ideas that I consider unhuman and—well, I would rather not say the word.

I think now that you will better understand why I presented this legislation at the beginning of my speech. Anyway, even if the Liberal members might not admit it today, Canadians are ever more prepared to realize it at the next election. They are not the ones to blame, it is those who counsel them in the long term. And you step on to the beaten tracks to exploit the poor.

Besides, Madam Speaker, there is another point I insist on mentioning. The other day, when I listened to the speech of the minister, I was amazed to see how it is possible to sugar the pill, to disguise a situation, to even hide the truth, and seriously hope the people will still believe for some time that the Liberal moon is made of green cheese.

● (2130)

Indeed, when the government is cutting down benefits, increasing premiums, terminating unemployment coverage for persons aged 65 or over, and extending the waiting period in some instances, the minister introduces that very bill in the House, arguing that it is meant to contribute to the realization of one of the basic objectives of the social security study, and to do away with some of the unfairness and complications it gives rise to. Where are the complications the UIC gives rise to, when it increases from three to six weeks the waiting period for a person who leaves his employment because he is underpaid and life becomes impossible for him, because his employer takes advantage of him, and so on. I could mention one thousand and one instances in my constituency, especially in footwear manufacturing and fashion businesses, where employees are trained from scratch.

They start training employees to make them profitable when they do piece work, because they are not profitable if they are paid a salary. They try to ruin them by having them do piece work and therefore be profitable. If the girl is not healthy enough to carry the burden, Madam Speaker, she has to leave. Well, they say, you can no longer do your

work because your health is not good, so you will be punished: No unemployment insurance benefits for six weeks, and after that you will go from door to door to try and get a job, and earn a living for your family. They think that is intelligent.

To me, it is about the same kind of logic as you can see in the papers respecting the recent visit of President Sadat in the United States. The Egyptian president wants to purchase American arms to maintain peace in the Middle East. In my opinion, Mr. Speaker, Mr. Sadat and our Minister of Manpower and Immigration would get along very well since they seem to be on the same wavelength and seem to make the same kind of reasoning. One of them purchases arms to make peace—I am talking of Sadat, the intelligent Mr. Sadat—and the other strips the unemployed to give them social security and eliminate inequities. That is very intelligent!

With such a negative bill, the minister should immediately introduce compensation measures to balance forces though I very much doubt that he will do so. My Social Credit colleagues who spoke before me made several very valid proposals and even provided accurate figures and data in support of the these proposals. For my part, I would like to conclude by emphasizing two points which should be applied as soon as possible to support the economy and the labour market.

First of all, the government should immediately establish a special program to systematically create productive employment. For instance, instead of providing $150 million for LIP projects which last only six months, it should allocate half of this to social welfare and to support all types of poor people with productive employment projects.

Such action would reasonably stimulate the economy while lowering the unemployment rate, which would reduce proportionately the difficulties of the Unemployment Insurance Commission and allow the maintenance of normal benefits and certain facilities.

On the other hand, it is more than time to establish a true guaranteed minimum income system which would support the poorest or those who have temporary employment problems and, at the same time, progressively reduce to a certain extent the responsibilities of the Unemployment Insurance Commission. In my opinion, they have their hands full. They cannot even advise the unemployed about the law.

I think that this method is much more practical that that proposed in the bill we are now discussing. In practice, Bill C-69 increases the number of bureaucrats, worsens the complexities already existing in the present legislation, cuts or lowers benefits to claimants and raises premiums.

In conclusion, one can say that this legislation does not benefit anybody, except the government which considers Bill C-69 a governmental self-financing mechanism operated by the unemployed.

[*English*]

Mr. Peter Stollery (Spadina): Thank you, Mr. Speaker, for the opportunity to say a few words on the important subject of unemployment insurance and the amendments proposed in Bill C-69.

For three years the Minister of Manpower and Immigration (Mr. Andras) has resisted attempts, both within parliament and outside parliament, to weaken the rights of the unemployed in Canada. In my opinion he has been right in his resistance and his critics have been shamefully wrong. Over the past three years we have been deluged with half truths, misinformation, and contradiction.

Only this afternoon we listened to the hon. member for Cumberland-Colchester North (Mr. Coates) suggest that older people who have never collected unemployment insurance should get some kind of claim when they retire. This seems to me to be a view difficult to sustain bearing in mind the fact that many members of his party believe the scheme should be operated on an actuarial basis.

I am afraid the contradictions which emerge from the opposition on this subject of unemployment insurance defy imagination. If one had the time and inclination to go back over the past three years and examine the speeches and comments made by members of the official opposition on this question, one would be here for a long time listing in a column on the left the names of those who are advocating something, and in a column on the right, those who say exactly the opposite. For three years we have been listening to Conservative arguments which would have been appropriate and which, I am sure, were used to defend things like child labour in England in the 19th century.

To hear the kind of argument used the other day by the hon. member for Prince George-Peace River (Mr. Oberle) to the effect that industries in his area have to compete not only with the labour market but with the unemployment insurance fund, and that this is a bad thing, shocks me. It shocks me he should suggest such a thing—that people in his area should work for wages which are as low as the kind of payments made by the Unemployment Insurance Commission. As far as I am concerned, industry in his area should have to pay decent wages—wages on which people can live.

I am tired of hearing unemployment insurance whipped as an excuse for paying low wages, and that really is the sense of the arguments we have heard in the last three years—that it is a disincentive to work if you are not going to be paid decent wages. I accept that kind of disincentive. For the information of members who are of that persuasion I might point out that unemployment insurance is one of the important mechanisms at the disposal of government to raise the minimum wage. After all, as we all know, minimum wages are generally under provincial jurisdiction. One of the things the federal government can do is raise the level of unemployment insurance payments and this, of course, obliges people to pay higher wages in a particular area, and that is a proper thing to do.

● (2140)

There is nothing wrong in telling an employer that if he cannot afford to pay decent wages he should not be in business. That is a fact. One should not excuse one's self by blaming his troubles on unemployment insurance while he soaks up his two or three weeks' winter sunshine in Floriday, Jamaica, Hawaii or wherever he goes, where he talks about his workers back home whom he is paying insufficient wages. I have heard that many times. I do not accept that argument.

The average weekly unemployment payment in Canada in July—and I am sure all members are aware of this—was $82.77 a week. Someone might claim that is a disincentive to work. I just have to laugh.

Among the attempts to dilute the unemployment insurance plan, as I read through last week's *Hansard*, are repeated references to the work ethic. My good friend, the hon. member for Hamilton West (Mr. Alexander), referred to it in his speech. The hon. member for Calgary Centre (Mr. Andre) and several others had something to say about the work ethic.

It is positively peculiar to me the way people throw around the expression "the work ethic". Evidently if one works long hours for low wages he has a good work ethic. However, if a person resists and says, "Just a minute; I would like to be paid reasonably well so I can live, or I will go home", then he has a bad work ethic. I am afraid I do not buy that. That is one of the old chestnuts that has been used since 1850.

Personally I have faith in Canadians. Most Canadians do want to work but they want to receive some of the great incentive, money. I know what I am talking about. During the 1950's I worked in the mines. I also spent some years working in the various camps across Canada. I remember Moak Lake, Manitoba in 1956. I was among the first people to sink a shaft at a settlement which I believe now elects a member of parliament. There were 32 of us in the bush. We worked 12 hours a day, 7 days a week, for a period of six months without a day off. Why did we do this? Because we were paid money. The best incentive is money.

I was brought up in the retail business which is notorious for low wages. It is the worst paying industry in the country. When I was going to school I would go out to the camps in the summer and then, when I left school at age 16, I started going around to the various camps to make some money. I worked long hours in the bush in order to pay for my various activities.

Some hon. Members: Oh, oh!

Some hon. Members: Explain!

Mr. Stollery: Before I came to parliament I worked 12 to 14 hours a day in Toronto in the cab business. I did this for five years before I came to Ottawa. I scraped the streets, like everybody who works at night in Toronto, for every dime. When people such as members opposite speak to me about the work ethic this makes me laugh. I have seen too many people in my day abused by such a cheap cliché as "he does not understand the work ethic". Well, I have been around enough and I am old enough to know a lot of baloney when I hear it.

Decent unemployment insurance is expensive in a time of high unemployment. Of course it is expensive in a time of high unemployment. If it is doing its job of cushioning those who are out of work it must be expensive. In his remarks last Monday the hon. member for Hamilton West noted that the United States, with a population ten times that of Canada, spent $4 billion on unemployment insurance in 1973. He went on to say that we in Canada will spend approximately the same amount in that area in 1975.

Mr. Alexander: There is something wrong somewhere.

[Mr. Stollery.]

Mr. Stollery: What is wrong is that in the United States there is a lousy unemployment insurance program. Everybody knows that. In Detroit where there is high unemployment in the automotive industry anyone who can read the newspaper knows the unions are very concerned about the fact that they do not have the kind of unemployment insurance program we enjoy in Canada. Our program is better than theirs.

Canada is an advanced country in the field of unemployment insurance, and the United States is not. With the current recession that is taking place in that country they are very concerned about this.

I would like to point out to hon. members that money spent on unemployment insurance—and people seem to be very concerned about the money spent—does not disappear like smoke. It goes into the local economies. Not only does it put bread on the table but in fact in some of the local communities in parts of Canada which have a consistently high rate of unemployment of 20 per cent or 25 per cent having this kind of money going into their economies is a good thing. I find it difficult to understand a party, some of whose members I regret to say come from those areas of high unemployment, that would say we are spending too much money in those economies. I would like to see those people go back home and tell their people that we are spending too much money in their local economies.

I am against anyone cheating in respect of the unemployment insurance fund, committing fraud, and so on. No sensible person would be in favour of this, and of course it must be stopped wherever possible. Of course the unemployment insurance program should not be abused. It must be reformed and brought up to date, but I want to say I really, genuinely support the minister in his resistance to those who would dilute the unemployment insurance program.

I think it should be made clear to the Canadian working people that there are people in parliament who really would dilute the unemployment insurance program so that it would bear a pale resemblance to what we have today, and would in fact put the clock back. I think the people of Canada should be told that because it is true.

There is a problem in respect of people who cheat the unemployment insurance program, but I am not convinced there is a great number involved. Since the changes made about 18 months ago the regulations in respect of unemployment insurance have been as tight as I would like to see them. I wonder whether in some areas perhaps they are not too tight.

I wish to take this opportunity to explain that there are people who really do not believe there should be proper support for working Canadian men and women who, for reasons beyond their control, find themselves without a decent job. I think that is very important. If people are ripping off the unemployment insurance fund not only is this bad because of the manner in which they are taking the money, but it is particularly bad because it gives the unemployment insurance program a bad name. I do not like that because, as I said, I think unemployment insurance is a very good program.

● (2150)

I have a particular proposal to make regarding sickness benefits under the unemployment insurance program. I do not think the difference between a major attachment period and a minor attachment period is made clear enough to the working person, and I think there is entirely too much jargon in this business.

Some hon. Members: Hear, hear!

Mr. Stollery: I myself find it difficult to understand sometimes; I have to refresh my mind continually, and I am sure other hon. members have the same problem. I hope that something can be done to explain this program to the people. I notice there are two kinds of attachment period. My disagreement with this program is that very few people know that during the major contribution period if you become sick, even if you have been collecting sickness benefits for 10 or 15 weeks you are not eligible for unemployment insurance after the fifteenth week. I find it reprehensible that most people do not know that at the end of 15 weeks their sickness benefits cease and, if a person happens to be sick in the sixteenth week, he is not eligible for unemployment insurance. I certainly did not know that and I am sure most Canadians do not realize it.

We all have our favourite unemployment insurance case, and although the Unemployment Insurance Commission in my area does a fair job I also have my horror case, that of a man about 65 years of age, a leather worker who was laid off. He was collecting his unemployment insurance and in the twentieth week he was taken seriously ill, went to hospital and had one lung removed. Naturally he was not reporting to the unemployment insurance office as being available for work.

When he came out of the hospital some time after he had collected his payments and cashed them—I do not think he quite realized what he was doing—he was presented with a bill for $450 to be paid back to unemployment insurance. I think that is dreadful and it is something which should be changed. We have made amendments to the Unemployment Insurance Act and it is time we took a look at this byzantine business of sickness benefits because it is not satisfactory. I am sure I am not the only member with cases of people who have been sick and genuinely did not realize they were doing something wrong because they thought they were entitled to unemployment insurance.

When the plan was first announced, sickness benefits were announced with the plan. Why would anybody think he was not entitled to collect unemployment insurance? I personally cannot imagine why. Whenever I see one of these cases it infuriates me, particularly when almost every one of them must return the payment, whether it is $300, $400, or $500. Usually they do not have money and they have to make payments of $4 or $5 a week for the next five years. I think it is an inequity which should be repaired. Something should be done about it.

I see the minister in the House tonight. I merely wanted to use this opportunity to point out to him, first, that people do not understand the difference between a major and minor contribution period—nobody except an actuary understands it, and most of us are not in the insurance business—and second, that there is no consistency in the program when people who are unemployed become sick and suddenly are cut off unemployment insurance, and wind up owing the government money at a time when they can least afford it.

I would like to make one more point to those who talk about the cost of unemployment insurance. As the Postmaster General (Mr. Mackasey) repeatedly said during the negotiations which have been going on ad nauseam over the last three years, if we want to cut the cost of unemployment insurance the best way is to reduce the number of people who are unemployed.

Mr. J. R. Ellis (Hastings): Mr. Speaker, I am delighted to have the floor for just one minute before ten o'clock because I want to say to the hon. member for Spadina (Mr. Stollery), who spoke a moment ago, that for a moment he sounded like the only man who had ever worked for a living. I would never denigrate any other member with regard to his work experience or any other personal effort he might have made, but it has been my experience that those who work hardest talk about it the least. May I call it ten o'clock, Madam Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE—PROPOSED REDUCTION OF STAFF—EFFECT ON IMPLEMENTATION OF BILINGUALISM PROGRAM

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, on October 14, 1975, as recorded at page 8103 of *Hansard* of that day, I asked the President of the Treasury Board (Mr. Chrétien) whether, as a result of the Prime Minister's (Mr. Trudeau) trip to Damascus on Thanksgiving evening when he ate crow, feathers and all, instead of turkey, the government intended its restraint program to mean and include that it was not proceeding with phase II of the implementation of bilingualism in the public service of Canada.

The minister indicated it meant no such thing, that restraint would not stand in the way of phase II dealing with units working in French and it would be proceeding full speed ahead. If that was not enough, he said that I supported phase II as envisaged by the government. This is just patent nonsense. Phase II deals with units working in French. The government proposes a quota system, 10 per cent of supervisory positions for some departments, 20 per cent for others.

There is no provision in the resolution of June, 1973, dealing with quotas. The words used in that declaration are "where practical", not a quota system. The resolution says that the staff associations would be consulted. No only were they not consulted, their walkout of the National Joint Council in protest of the arrangement proposed

indicated they were hoodwinked, and the government had better come clean with them.

There is a very suspicious press release which alludes to some kind of detente within the National Joint Council. It came out on the weekend, with no telephone number for verification or questions. The question I have is who authorized it, who was there, and what does it mean? This question has affected others.

Geoffrey Johnson writing in the *Citizen* last week said that:

● (2200)

—as a result of receiving certain documents concerning the language program and the facts are simply that beneath the surface of that "agreement", announced last Monday by the public service's National Joint Council on Bilingualism, things are far from well.

The staff side of the council, in fact, is said to be having second thoughts about the whole thing now that the fine print has yielded information on what lies in store for the Anglophone who wants to remain in his job even when it becomes part of a unit working in French.

Treasury Board had backed down to a certain extent by agreeing to provide French-language training for those Anglophones affected.

Now the staff side has discovered to its dismay that these employees will have no chance whatsoever of promotion because they will never qualify linguistically for French-essential positions. Their choice will be to stay put—or get out.

Apparently things have ground to a halt on that point. It's an embarrassing situation for Claude Edwards, president of the Public Service Alliance, and Des Davidge, vice-chairman of the staff side of the council. They were the ones who gave their blessing to the revised agreement on the weekend—without reaching the agreement.

In other words, it seems that despite the statements to the press by the President of the Treasury Board, and despite the soothing syrup of the Parliamentary Secretary to the President of the Treasury Board (Mr. Francis) there are grave suspicions, and indeed reports that the situation remains exactly the same today as it did on September 3, 1975, when I revealed the secret documents. I think it is just about time the government came clean.

I have asked the minister for a statement inside the House; he has not given it. He has made some references outside the House, but I suggest that his references are double talk, and it is about time we had the straight goods on this program.

The other matter is the question of merit. I want to say that this policy is about as far removed from merit as the President of the Treasury Board is removed from Thomas D'Arcy McGee.

Phase II is not the program I voted for in June of 1973, and the fact that it is going ahead is the best indication I know of that the restraint program of the government in terms of government spending is about as genuine as a three dollar bill. No one has to prove his allegiance to the principles of the Official Languages Act by refraining from pointing out the inequities and the stupidities in their implementation. Phase II is wrong in principle, it is demoralizing, divisive, discriminatory, and it is contrary to the provisions of the statute which was meant to promote unity in the public service, and unity in this country.

I think it is about time we heard the truth about this program. This program was brought forth by the President of the Treasury Board, in the month of August, not by accident, but because the House was not sitting. There has been no statement made about it in the House, merely statements outside, and we have heard nothing but the empty statements of the President of the Privy Council (Mr. Sharp) a few days ago. There has been a disturbing lack of candor about it which leads me to say that the public service of this country deserves better treatment.

I released those documents after some heart searching, and it is interesting to note that when I released them the President of the Treasury Board said they were nothing. In fact he described them as garbage, but all the while since that time the same President of the Treasury Board and others in the public service have been discussing that which was supposed to be nothing and which was described as garbage.

I think the parliamentary secretary had better come clean tonight. What is his position? What is the position of the Government of Canada with respect to this matter? Has phase II stopped? Is phase II being changed? If so, to what extent? How is the discrimination being taken out of it? Those are the questions being asked by the public service of this country and, as I said earlier, I believe that the public service of this country deserves some candor in terms of this very important program.

Some hon. Members: Hear, hear!

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, at present implementation of all elements of Part II of the official languages program is under renewed discussion with heads of bargaining agents. I say renewed because there was a breakdown in the consultation process, to which the hon. member referred. I believe that the frank and open discussions which have already taken place, and those continuing now, will result in the resolution of many, hopefully all, of the concerns of the bargaining agents. These discussions, as I said, are taking place on a continuing basis.

As the implementation of phase II is presently the subject of discussion with the National-Joint Council, I do not want to prejudge the outcome of these discussions. Without question, the hon. member raised a number of important points. I merely wish to emphasize that the position of the government is that of complete equality for the two official languages. This policy will be implemented in connection with the proposals. Any aspects which involve discrimination between language groups, and access to units working in French, will be eliminated. The opportunities for promotion within those units will be there to those who meet proficiency requirements, no matter what is their mother tongue.

POST OFFICE—PROPOSAL TO ALLOW PRIVATE CARRIERS TO DELIVER MAIL—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, I certainly hope I shall receive a better answer than that given to the previous hon. member.

On October 23 I asked the Postmaster General (Mr. Mackasey) to indicate, as recorded on page 8477 of *Hansard:*

... if he has any plans to allow private carriers to deliver first class mail, any other sort of mail or parcels during the Post Office strike, and would he consider initiating discussions with the Air Industries Asso-

ciation and the Canadian Truckers Association, to assure that the fullest possible use is made of alternative delivery services in the absence of regular postal service.

I pointed out to the minister that I had spoken with these groups earlier that day and that they would be willing to sit down with the hon. gentleman to discuss alternate ways of delivering mail. To this the Postmaster General replied, in part:

I am aware of the representations but I think it is a little premature to be encouraging our competition.

This thinking on the part of the Postmaster General, that private couriers are competition, must be stopped. To make my position perfectly clear, let me say that I am waiting for the Postmaster General to begin consultations with the private sector on rates and sorting problems, with a view to transferring as much mail delivery as possible to trucking and airline firms and private couriers.

I have raised this subject previously in the House, but the answers were entirely unsatisfactory. One of the reasons given for refusal was that private carriers would not deliver mail or parcels to remote areas. I point out that regional air carriers and trucking companies deliver merchandise to remote areas of Canada. So why could they not deliver mail as well? One of the answers I received earlier was that a private mail carrier would not deliver a letter to the north pole. That is an absolutely ridiculous answer. Our remote cities, towns, and villages all need mail service; the odd remote area might suffer a little. But we cannot use that as an excuse for not doing something to ensure proper mail delivery in Canada.

As announced today, Montreal postal workers are forming a courier delivery service. I suggest that they should also negotiate with the trucking and airline associations to work out long-range plans for postal delivery. I am sure they would be much happier working for a private concern instead of being out on strike all the time, which is what happens to those working for our postal service in Canada.

The direct mail industry is considering its own mail delivery service, as it has been crippled 38 times in past few years owing to post office strikes. Canada's direct mail and mail order industry is considering setting up its own delivery service for second and third class mail. A similar service in the United States pays better wages than the post office, is cheaper, and is more efficient, they say. The U.S. service, United Parcel Service, tried to enter Canada in recent months but its application to the Foreign Investment Review Agency to buy two Canadian delivery services was rejected. That is most unfortunate. I suggest to the unions that they should also consider consulting with private carriers. If they could make higher wages and not be out on strike all the time, everybody would benefit.

● (2210)

Recently the Postmaster General stated that Canada's Post Office must regain the confidence of the public, provide better facilities for its employees, and go after the 3,000 jobs that were lost because of work stoppages and strikes by postal workers. That statement was made in August. If there were 3,000 jobs lost last August, heaven only knows how many jobs have been lost with this latest strike.

Businesses large and small cannot go on year after year waiting for the Postmaster General to provide better service. The business that has been lost to the private couriers will never be regained by the post office, so let us negotiate to transfer the remaining delivery to the private sector. The government has a responsibility to provide guaranteed postal delivery for Canadians.

Here is an example of what is happening to some Canadians firms. Strikes are crippling mail order firms. A Cornwall mail order company may be forced to lay off 300 employees as a result of strikes by inside postal workers. Jack MacDonald, president of Sovereign Seat Covers Manufacturing Limited, said that the company, which relies totally on mail orders, has been hit hard by the postal strike. He said, and I quote:

Our situation would be that as soon as our . . . 48-hour work backlog is cleaned up we will have about 300 employees with nothing to do.

That is only one firm. There are dozens of others across the country that are faced with the same situation. This is what the latest strike is doing to postal business in the United States. I quote:

Montrealers frustrated at the Canadian postal strike are driving to U.S. border points to drop off correspondence for the United States and other foreign destinations. This northern New York city, 70 miles south of Montreal, has developed a booming postal business since the strike began, giving extra revenue to the U.S. Treasury and overtime work to postal employees. Last Thursday, 184,000 pieces of mail were processed in the Plattsburgh post office, an increase of about 16,000 compared with the previous Thursday, said city postmaster Rolland Hewitt.

That mail should be hosted in this country. That is why I suggest that the Postmaster General start immediate negotiations with the private sector to keep these 184,000 pieces of mail in Canada rather than give the revenue to American firms.

What we are faced with today is a number of ad hoc schemes to deliver mail. A concerned gentleman in Victoria has formed a postal delivery service. He has some striking post office workers helping him deliver the mail. It is absolutely ridiculous for a country the size of Canada to be faced with this sort of situation. Many hon. members will have seen the headline: "Halifax Posties Set Up Delivery System". They are trying to do something there.

The Postmaster General stated recently that illegal work stoppages by postal employees posed a threat to their job security by encouraging private carriers to compete with the government. Private carriers, he said, would get a toe hold only because of labour unrest and the uncertainty of moving the mail.

The Acting Speaker (Mrs. Morin): Order. I am sorry, but the hon. member's time has expired.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Madam Speaker, I thank the hon. member for Winnipeg South Centre (Mr. McKenzie) for his suggestion. There is no doubt that a long postal strike would be most disruptive to the Canadian people generally, to the Canadian economy, and to businesses both large and small. As the hon. member has indicated, a strike even of the present duration has taken its toll. Should it last much longer, alternate means will certainly be forthcoming to deal with essential mail.

However, it should be remembered that members of the Canadian Union of Postal Workers are exercising their democratic right in walking off their jobs, and in a democratic society such as ours we must be ready to accept the hardships and inconveniences brought about by this exercise of the democratic process. At this moment the government is hopeful of an early settlement to the strike. The difficulties we are facing with the Canadian postal workers are difficulties which have been experienced over a long period and they have been the cause of many walk-outs. It is hoped that the successful completion of these negotiations, carefully put, together will create a better relationship and that walk-outs of the kind we have known will cease.

As of 6.30 this evening agreement had been reached on all but two of the outstanding issues—pay, and the employment of casuals. It is hoped that within a short period agreement will be reached and that the development of alternative means of delivering mail will, consequently, not be required.

BROADCASTING—ACTIONS OF UNITED STATES TELEVISION STATIONS IN OBTAINING CANADIAN ADVERTISING—GOVERNMENT ACTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, this afternoon I raised a question with the Secretary of State (Mr. Faulkner) concerning a practice which has been going on since last spring, namely, the dumping of advertising space by United States border television stations on the Canadian market.

Before the House is Bill C-58, a belated recognition by the Liberal government of the crisis in the Canadian communications industry—magazines and television. The purpose of that bill is to help the Canadian magazine and television industries by making amendments to the Income Tax Act so that we may enhance our own national identity and have Canadians interpret the events of the world to other Canadians rather than relying on foreign magazines and news sources. What we have experienced, unfortunately, is delay in the passage of this bill mainly due to a filibuster mounted by the Conservative party.

In the intervening period, many United States border television stations are adopting punitive and retaliatory measures consequent upon the introduction of this bill although it has yet to be passed and made law. Specifically what they are doing is dumping advertising slots on Canadian advertisers only. They are dumping advertising space at cut rates to under sell Canadian stations and force them into a loss position. This practice can only be viewed as punitive and retaliatory. It particularly hurts the smaller independent stations along our border.

For example, in the fall of 1974 a Buffalo television station was charging between $60 and $80 for a rating point—that is the terminology used in selling advertising. By the spring of 1975 the same station was charging only $22 per rating point on the Canadian side only. This fall the rate has risen to $30, still approximately half the normal advertising rate charged by the station to its American customers, and about half the rate in Canada. Many Canadian stations barely get by when they sell these rating points at between $40 and $45. For example, City TV in Toronto has estimated that in one eight week period alone it lost over $200,000 in advertising contracts because of this practice on the part of U.S. border stations.

We also find dumping taking place on the west side of Canada. There is a certain station, KVOS, in Bellingham, Washington, which has been set up purely to take advantage of Canadian business—there is not enough American business in this area to make its operation viable otherwise. Last June this station sold 104-week contracts at a rating point of $30, with a $600 a month minimum contract. In addition, KVOS has given Canadian advertisers a guarantee that when the income tax provisions of Bill C-58 come into effect those advertisers will be offered a rate cut by a further 50 per cent.

● (2220)

It has been estimated that, in 12 deals sold by that one station alone in Washington in a period of one week, they were able to capture contracts from Canadian advertisers amounting to some $4 million. That is $4 million worth of Canadian advertising revenue for one station alone, money that went to the United States rather than remain in Canada to help support Canadian television stations.

The question may be raised: how can these American stations afford such cut rate prices for advertising? The reason is that the United States stations along the border make more than an adequate profit on the United States market alone. For example, the Buffalo station has a 150 per cent return on equity investment, not counting its Canadian business. Therefore any advertising sold in the Canadian market is pure gravy. It is surplus to the actual needs of any American television station.

This problem was brought to the attention of the then minister of finance last spring, the minister of communications, and the chairman of the CRTC during the summer. They were aware of the problem, but nothing to date has been done. Since the effect of the tax provisions in Bill C-58 is to double the cost of advertising spots placed by Canadian advertisers on United States television, all a U.S. television station has to do to circumvent the legislation is to cut its rates to advertisers on the Canadian side by 51 per cent or more. Therefore the whole intent of the legislation will be negated.

My question to the Parliamentary Secretary to the Secretary of State (Miss Campbell) is: will the government be taking measures to overcome this obvious weakness in Bill C-58? Will the minister bring forward amendments to plug the loopholes in this legislation? Specifically I suggest a double disallowance feature, that is to say, to disallow as a normal business expense for tax purposes twice the value of advertising spots on United States television stations. That would get around the effect of their cutting their rates.

I also want to know whether the minister will take immediate steps under the anti-dumping legislation via order in council to stop this undercutting of revenue for Canadian stations. In conclusion I want to make the point that, unless action is taken now, this punitive dumping tactic of American television stations will undermine the financial viability of many Canadian television stations and their ability to produce Canadian programs.

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Madam Speaker, in the absence of the Parliamentary Secretary to the Minister of Communications (Mr. Fleming) I would like to reaffirm that the government introduced in Bill C-58 an amendment to the Income Tax Act which would no longer allow deductions against income for advertising time on a non-Canadian station for advertisements directed primarily to a Canadian market. The purpose of the amendment is to constrain the significant outflow, estimated at some $20 million a year, by Canadian firms purchasing advertisement time on United States border stations.

The government is aware of possible alternatives which United States border stations might offer to Canadian advertisers as an incentive to maintain their business. As the legislation has yet to be passed, it is much too early to judge the effects of Bill C-58.

The Secretary of State (Mr. Faulkner) stated in the House this afternoon that it is considered that the remedy to the situation alluded to by the hon. member for Sault Ste. Marie (Mr. Symes) lies in a speedy passage of Bill C-58. It should also be remembered that U.S. border stations are not exporting goods but providing services, and that therefore it would seem that the anti-dumping act would not apply as it is now written.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Tuesday, November 4, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIRPORTS

PETITION CONCERNING RENEWAL OF LEASE TO SKY SHOPS AT DORVAL—REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the 17th report of the Clerk of Petitions stating he has examined the petition laid upon the table by the hon. member for Central Nova and finds that it meets the requirements of Standing Orders as to form.

* * *

[*Translation*]

THE CANADIAN ECONOMY

PROPOSAL TO FREEZE FOOD PRICES RETROACTIVELY TO OCTOBER 13—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to move a motion.

Considering that food prices have increased steadily since the announcement made on October 13 by the right hon. Prime Minister, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That the government recommend to the appropriate board an immediate freeze of food prices, retroactive to midnight, October 13.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion of the hon. member cannot be put.

● (1410)

[*English*]

ENERGY

REQUEST FOR FINANCIAL SUPPORT OF GROUPS WISHING TO PARTICIPATE IN MACKENZIE VALLEY PIPELINE HEARINGS—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43 to introduce a motion on a question of urgent and pressing necessity. In view of the government's frequently stated commitment to encourage vigorous public participation in the decision-making processes of government and its more specific commitment to ensure that the current Mackenzie Valley pipeline hearings of the National Energy Board be open to the representations of all concerned public groups, and in view of the absolute necessity of securing as much information and as many opinions as possible relative to the social, economic and environmental impact of this critical pipeline project, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House instruct the Minister of Energy, Mines and Resources to provide all necessary financial and logistical support for all public groups wishing to participate in the current NEB hearings so that a well-informed and just decision on the proposed Mackenzie Valley Pipeline may be possible.

Mr. Speaker: Is there unanimous consent that this motion be put?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

PROPOSED MEASURE TO PERMIT CANADIANS TO INVEST IN ALBERTA TAR SANDS—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to discuss a very urgent and important matter.

Considering that the Alberta tar sands will require disbursements of several billion dollars to ensure future energy supplies for the needs of the Canadian people as a whole and that these disbursements are now made on foreign financial markets, giving our natural wealth, the tar sands of Alberta, to foreigners, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the government make all necessary arrangements to ensure that a loan trust company is established to enable all Canadians to borrow money from it to buy shares in the Alberta tar sands and also to enable Canadians to hold 51 per cent of the shares.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

AIR CANADA

SUGGESTED INVESTIGATION OF ELIMINATION OF SOME MARKETING POSITIONS—MOTION UNDER S.O. 43

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that approximately two dozen senior marketing people in Air Canada who have been described as executives have had their jobs eliminated, many of whom have made a great contribution to the company and are near pensionable age, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Transport immediately review the company's action to ascertain that equitable considerations are being applied and that these individuals are not being sacrificed as a token to protect the positions of more senior executives.

Mr. Speaker: Is there unanimous consent for the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

REASON FOR CLOSING AIRSTRIPS AT ARCTIC BAY AND GRISE FIORD—ALTERNATIVE MEANS OF OBTAINING SUPPLIES—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, since I make use of this provision of the Standing Orders so rarely, I know all members of the House will like my motion. I rise under the provisions of Standing Order 43 on a matter that is urgent, pressing and necessary, a matter that in fact is of extreme emergency for 500 residents of two communities in the Northwest Territories. In view of the unilateral decision by the Ministry of Transport to close the airstrips at Arctic Bay and Grise Fiord, and in view of the urgent need to get winter food supplies and other essentials into those two northern communities, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House instruct the Minister of Transport to make a statement on motions later this day explaining in full the reasons for the ministry's decision and outlining the means, if any, by which the government intends to get essential winter supplies to those two northern communities.

[Mr. Allard.]

Mr. Speaker: Is there unanimous consent for the presentation of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

FINANCE

SUGGESTED REDUCTION OF INTEREST RATES TO FACILITATE HOME OWNERSHIP—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a very important and urgent matter.

Considering that a great many family heads are prevented from becoming homeowners by high mortgage rates, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House strongly urge the Minister of Finance (Mr. Macdonald) to intervene personally and order an immediate reduction of mortgage rates generally, in order to make it possible for a greater number of family heads to become homeowners.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

AIR TRANSPORT

REQUEST FOR PUBLIC INQUIRY INTO CRASH OF PANARCTIC AIRCRAFT—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Noting that more than a year has passed since the Panarctic airplane crash, and in view of the jury decision that nothing can be finally solved until a public inquiry has been established, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the government immediately call a public inquiry into this disaster.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BELGIAN DELEGATION OF THE INTERNATIONAL ASSOCIATION OF FRENCH LANGUAGE PARLIAMENTARIANS

Mr. Speaker: Before we proceed with oral questions, I have the honour to draw hon. members' attention to the presence in the Speaker's Gallery of a delegation of the Belgian Parliament, headed by Mr. André Baudson, president of the Belgian section of the International French Speaking Parliamentary Association.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—POSSIBILITY OF REPATRIATION OF SPENT FUEL AND INSPECTION BY CANADIANS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs relating to the agreement to sell a nuclear reactor to the Republic of South Korea. Will the minister, having refused to table the treaty or agreement in advance of committing Canada to the sale and to the agreement, now indicate whether Canada is insisting upon repatriation of all spent fuel in connection with this reactor, or is insisting on inspection in connection with these facilities in South Korea by Canadians in that country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have not yet signed a nuclear co-operation agreement with the Republic of Korea. We are well on the way to entering into an agreement on nuclear co-operation but we are not insisting on the repatriation of the spent fuel because of the cost and its environmental implications to Canada, and mainly because such repatriation would not contribute significantly to safeguards in the situation we are seeking.

On the final point, I believe I am right in saying that the international agency will conduct inspections in the normal course, and that we will be considering our own inspections in respect of those aspects that are uncovered by the International Atomic Energy Agency service.

AGREEMENT AMONG SUPPLIERS OF NUCLEAR TECHNOLOGY ON SAFEGUARDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had the impression a number of months ago that some spokesman on behalf of the government told us that spent fuel would be repatriated. This seems like a reversal and a weakening of Canada's position. However, in connection with the discussions going on among the supplier nations, and those are the nations that supply nuclear technology and facilities, I understand there is some kind of an agreement on common safeguards that is almost within reach. Is Canada proposing that there be IAEA inspection insisted upon by all supplier nations of not only nuclear reactors but, particularly, reprocessing facilities as well as the handling and the disposal of spent fuel?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, at the meeting of the suppliers Canada is taking, and I am wondering how to put this without seeming that we are putting ourselves in a special position, an extreme position in favour of a full scope of safeguards. Suppliers ought to agree, if possible, to the insistence upon the total safeguarding of all facilities within a country to which they will direct assistance, material or technology, but the suppliers to my knowledge have not yet reached any conclusions. The matter is still under consideration among the suppliers, but Canada's position certainly is the one I have indicated.

GOVERNMENT POSITION ON SALE OF NUCLEAR TECHNOLOGY WITHOUT EVERY SAFEGUARD POSSIBLE

Hon. Robert L. Stanfield (Leader of the Opposition): On a final supplementary question, Mr. Speaker, does the minister think it is appropriate for Canada to supply a nuclear reactor and nuclear fuel to a country without these general safeguards of an IAEA inspection of reactors, spent fuel and, particularly, processing facilities, in view of the fact that spent fuel developed from a Canadian reactor might very well be used in some uninspected reprocessing facility for the development of a very dangerous substance? I ask the minister whether Canada should proceed in those circumstances, and also what Canada is proposing to other nations to assist them by way of sanctions to countries which receive these nuclear facilities and do not comply with the common safeguards.

● (1420)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I agree with the Leader of the Opposition that it would not be appropriate for Canada to make supplies available in the circumstances he has mentioned. That is why we are, in reaching bilateral agreements with for example Argentina and the Republic of South Korea, insisting upon full safeguards with regard to inspection and reprocessing, for example, of spent fuel. We are insisting upon a Canadian hold on the uses to which spent fuel can be put and we are certainly insisting upon full inspection mainly through the International Energy Agency and in some cases it may be necessary for Canada to provide a supplementary inspection service.

So we are fully in support and are developing these inspection coverages. With regard to the final point on the sanctions, I am not aware that Canada at the present time is making any special proposals for sanctions except in the abrogation of any such bilateral or multilateral agreement. Of course, it would be open to supplier countries to cease making supplies available or to cut off all forms of nuclear co-operation which is what we have done with India but which is not fully effective.

Oral Questions

NATIONAL DEFENCE

LIKELIHOOD OF UNITED STATES CONTINUING TO ADVOCATE STRONG CONVENTIONAL FORCES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. First, may I express my regrets at the disappearance of Dr. Schlesinger and his fine mind from the international scene at this critical time. Has the minister contacted his new opposite number in Washington, Mr. Rumsfeld, to determine if Mr. Rumsfeld intends to continue Dr. Schlesinger's policy of strong conventional forces to lessen the likelihood of an act of aggression turning into a nuclear holocaust.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, my earphone was not working to receive the question and I will have to ask the hon. gentleman to repeat it.

Mr. McKinnon: Mr. Speaker, I will repeat the question. Has the minister contacted his new opposite number in Washington, Mr. Rumsfeld, to determine if Mr. Rumsfeld intends to continue Dr. Schlesinger's policy of strong conventional forces to lessen the likelihood of an act of aggression turning into a nuclear holocaust?

Mr. Richardson: No, Mr. Speaker. I have not contacted Mr. Rumsfeld but I have met him and talked with him at NATO meetings. I am certain he will carry forward the policy of the United States.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: One supplementary by the hon. member for Victoria.

EFFECT OF DEPARTURE OF DR. SCHLESINGER ON CANADIAN COMMITMENT TO NATO

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, as Dr. Schlesinger was a proponent of strong conventional forces as an alternative to nuclear retaliation, can the minister assure the House and the country that Dr. Schlesinger's departure will not change the Canadian Government's commitment to maintain our NATO forces in Europe at least at their present levels and that Canada will not revert to the policy of nuclear weapons as the only defence.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I think that the policy of the United States secretary of defence, in which we believe, is that the central objective is to achieve international stability and that we achieve that stability by means of a balance of military forces and that we achieve that balance in the three areas of strategic nuclear, theatre nuclear and conventional weapons. We believe that there is a growing requirement for a balance of military forces at the conventional level. That is the policy that has been expressed by the U.S. defence department which is endorsed in statements that I have made. I would like to confirm our belief in a balance of military force at the conventional level as a means of achieving international stability.

[Mr. MacEachen.]

HOUSING

NATURE OF AGREEMENT WITH FINANCIAL INSTITUTIONS TO SUPPLY MORTGAGE MONEY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of State for Urban Affairs arising out of his housing program announced yesterday. The minister said at the time that the government expects the private financial institutions to put up an additional $750 million for housing. I should like to ask the minister, since he ruled out mandatory legislation in the field at this point, what form of commitments he has obtained from the financial institutions, are they verbal or written commitments and do they vary in terms of percentages from one bank as opposed to another? In short, would he tell the House what kind of agreement he has with the financial institutions?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I do not have an agreement with or commitment from financial institutions. I spoke with them and indicated an increase. I spoke to some of them this morning and they are receptive. They must be receptive to our objectives or else we will legislate, and they recognize that. They are prepared to co-operate in every way. In this way we will achieve the objectives we set for ourselves. Indeed, for the past month of October our housing starts have reached 275,900 at a seasonally adjusted rate—

Some hon. Members: Hear, hear!

Mr. Danson: —which is an increase of over 100,000 from the same month last year.

Some hon. Members: Hear, hear!

Mr. Hees: Tell us about AHOP now.

REASON FOR FAILURE TO GET SPECIFIC COMMITMENTS FROM FINANCIAL INSTITUTIONS SUPPLYING MORTGAGE MONEY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister is obviously happy that one month out of ten he has been on target. That provides a lot of joy for him. In view of the fact that the success of his housing program in increasing the supply is absolutely dependent upon the co-operation of the financial institutions, and considering that past commitments to the minister when he said he was going to get $1 billion or so last spring from them, have not been complied with, I should like to ask the minister why he did not follow the example set at the time the auto pact came in in 1965. At that time the government approached the auto industry requesting specific commitments for the next two or three years and they received signed letters of agreement from each of the firms concerned. Why did the minister not think that it was essential to follow that example with the banks, for example, in the area of housing?

Hon. Barney Danson (Minister of State for Urban Affairs): Because it is traditional, when the government indicates its wishes to the lending institutions, for them to follow suit. I have no doubt this will be the case now. I have communicated with them before. We have had to give them an indication of the specific amount we wanted. I

have no fears it will be forthcoming without disturbing the normal capital markets, which is an important part of the approach we are taking.

SUGGESTION GOVERNMENT INCREASE AMOUNT OF MORTGAGE MONEY AVAILABLE

Mr. Edward Broadbent (Oshawa-Whitby): I do not know how the minister will get them to change and invest in a way in which they were not going to invest without changing the normal pattern of investment. However, I leave that with him. I should like to ask the minister, in view of the fact that even if they provide the money, which they never did before, along the lines he is requesting, which will only provide an additional 20,000 or 25,000 units, if he would assure the House that when the CMHC budget is brought in for the next year it will have built into it a substantial increase from the government side in terms of expenditures to increase the supply of housing.

● (1430)

Hon. Barney Danson (Minister of State for Urban Affairs): First I will deal with another point the hon. member raised: that we were only on target one month. That is not the case, and I would be pleased to bet him, as I did the Alberta minister of housing yesterday, $10 against a barrel of Alberta oil that we will meet our target of this year.

Some hon. Members: Hear, hear!

Mr. Danson: And if the price of oil goes up, I will raise my $10.

The hon. member suggested changing the pattern of investment, but it is the amount within that pattern we are concerned about. We do not care terribly much how it comes, just as long as we get that amount of money. I think the hon. member may have missed the statement in the announcement yesterday that the banks are also required to restrict their high ratio loans, their low down payment loans, and increase those to lower cost housing. We will have a great deal more housing for the same amount of money. In addition, the resources of the government will be strengthened in the areas of non-profit and co-operative or public housing, and for those people in need whom governments should and do look after in this country.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

FINANCE

SUGGESTED REDUCTION OF INTEREST RATES—RECOURSE TO BANK OF CANADA FOR PUBLIC FINANCING

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Finance.

Is he willing to use the authority entrusted to him by Parliament to authorize a cut in interest rates and so enable the Canadian economy to stand up to the competition on the domestic and international markets?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, unless I am mistaken, the hon. member is asking me to use the authority I hold from Parliament to reduce interest rates. I must point out that I have no such authority, either on the acts governing our banks or on that governing the Bank of Canada.

Mr. Lambert (Bellechasse): I should like to put a supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member for Bellechasse on a supplementary.

Mr. Lambert (Bellechasse): Mr. Speaker, given the admission of the Minister of Finance that he has no authority to dictate interest rates to financial institutions, thus implying that chartered banks do have that authority, may I ask the minister if at least he would be prepared to suggest to his cabinet colleagues greater use of the Bank of Canada—which is the bank of the Canadian people for public financing—to reduce the inflationary charge of interest rates burdening Canadian taxpayers.

Mr. Macdonald (Rosedale): Mr. Speaker, I find that many of my colleagues do not accept the concept of the hon. member and his colleagues on the role of the Bank of Canada. I do not think that I could advocate such a policy among my colleagues.

Mr. Lambert (Bellechasse): A supplementary question, Mr. Speaker.

Mr. Speaker: A final supplementary question from the hon. member for Bellechasse.

Mr. Lambert (Bellechasse): Mr. Speaker, considering that this is a major issue in this country, that all other aspects of our economic problems lead to this major issue of interest rates, may I ask the minister if he would be willing to introduce legislation in this Parliament, aiming at giving this House, through the Minister of Finance, jurisdiction over all financial matters in our country?

Mr. Macdonald (Rosedale): Mr. Speaker, I agree this is a major issue. We are in the process of studying the bill on banking with a view to reviewing this Act and we may consider changes in our financial system. It is within this framework that we are prepared to examine the question but not in the way the hon. member has suggested.

* * *

[*English*]

AIRPORTS

DORVAL AND MIRABEL—LEASE TO SKY SHOPS—REASON TENDER NOT ACCEPTED WHICH WOULD PROVIDE GREATEST RETURN

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport. Has he yet had an opportunity to study the matter I raised yesterday? Further, with respect to the public property at Montreal international airport No. 2 at Mirabel, which was leased by the government on the recommendation of the Minister of Transport to Sky Shops Export Limited for the operation

of a duty free shop, will the minister tell the House why this lease concession was not granted to the tenderer whose offered rental would provide the greatest financial return to Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will certainly double check the latter lease, although I believe I was informed that an analysis of the leases took place and that the proposition which was accepted was indeed likely to earn the greater amount of revenue over the period of time involved.

Mr. Hees: For whom?

Mr. Lang: I have also begun to look into the questions the hon. member raised in the petition he filed, and I am attempting to verify various allegations in the petition, since I was not supplied with any authenticated material.

I have determined that in the early 1970's there were discussions with regard to the renewal of the lease at Dorval because of a desire to provide additional superior facilities for the duty free shop and also to make certain of the time period which would be available for that shop, in view of the expected phasing out of international flights and that as a result of that, discussions about appropriate rental and going to a specific agreed rate rather than tender in view of the short period of time were held.

Mr. MacKay: I appreciate the minister's full answer at this time, but by way of a supplementary question I should like to ask him the following: in view of the fact that the tender of Sky Shops Export Limited will be financially less rewarding and substantially so, to Canada than the bids of at least two other tenderers, will the minister consider advising the House in due course what other criteria had greater influence with the government in the award of the lease concession to Sky Shops Export Limited? These would not be financial considerations because Sky Shops Export Limited was outbid by at least two competitors, in one case on guaranteed minimums to the extent of over $1 million and in the other case the percentages offered by Sky Shops were considerably less attractive than was the case with the other tender.

Mr. Lang: As far as the most recent granting of duty free shop licenses is concerned, I have just said that I will look further into that situation, and there will be ample opportunity for discussion with members of parliament concerning the choice of a particular lease compared with alternatives.

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COMMUNICATIONS

REQUEST FOR ASSURANCE ANTI-INFLATION GUIDELINES WILL BE APPLIED TO BELL CANADA APPLICATION FOR RATE INCREASE

Mr. D. M. Collenette (York East): Mr. Speaker, my question is addressed to the Acting Minister of Communications. In view of this week's decision of the Canadian Transport Commission to order a $6.7 million reduction in the rate application of British Columbia Telephone Company so as conform to the government's anti-inflation guidelines, could the minister assure the House that the CTC will follow a similar procedure when dealing with the upcoming application by Bell Canada, which serves millions of consumers in Ontario and Quebec?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the government is obviously pleased with what may be the first major example of how these federal guidelines can help Canadian consumers, and I am sure the government will watch with interest when the hearings between the CTC and Bell Canada draw to a conclusion.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—SUGGESTION GOVERNMENT OF THAT COUNTRY MIGHT PROVE UNTRUSTWORTHY

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Secretary of State for External Affairs. Returning to the subject introduced by the Leader of the Opposition, I wish to ask whether in considering a bilateral nuclear agreement with South Korea Canada examined the reports of Amnesty International, the International Commission of Jurists and the International League for the Rights of Man? They found South Korea to be a repressive, corrupt regime, relying on torture and false confessions for law enforcement, which suggests it would be most unwise for Canada to trust such an administration, especially when it has already purchased a $50 million reprocessing plant from France.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, in the over-all context of our sale we have considered all the factors mentioned by my hon. friend. As he knows, the Republic of Korea has been a signatory to the NPT, as a result, I hope, of our influence following representations which were made some time ago. We are now hoping to conclude a nuclear co-operation agreement which will cover all the concerns which have been expressed by the Leader of the Opposition.

● (1440)

REASON FOR SALE OF NUCLEAR REACTOR TO SOUTH KOREA

Mr. Douglas Roche (Edmonton-Strathcona): A supplementary question, Mr. Speaker. What is the reason for selling a nuclear reactor to South Korea? Is it to make money or is it to make a contribution to nuclear energy? If the latter, did CIDA ever recommend a nuclear reactor for export to South Korea as part of our international aid program?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have been in the business of providing power plants to other countries. In the case of South Korea it is a developing country with a severe shortage of power sources and a very heavy dependence on imported oil which, as in other places, has quadru-

pled in price. The developmental aspects of this nuclear power program to South Korea are very great indeed. That is one of the reasons why we have proceeded with the sale, in balancing its developmental aspects against other factors which have been used by the questioner.

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TRANSPORT

SHORTAGE OF STOCK CARS IN WESTERN CANADA—REQUEST FOR EARLY ACTION TO ALLEVIATE

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, a question for the Minister of Transport about the serious shortage of stock cars in western Canada. In view of an authentic report this morning that CPR can only supply six stock cars west of Moose Jaw to special cattle sales today and tomorrow that involve several thousand heads, and in view of the suggestion that this delay is deliberate in anticipation of the next rate increase on November 14, will the Minister of Transport give immediate attention to some emergency action that would speed up the return of empty stock cars to western Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am sure there is no foundation at all for any suggestion of a deliberate delay in the supply of cars. Each year at this time there is a tremendous demand for double and single deck cars for the shipment of livestock. Obviously, the available fleet cannot be great enough to ship all animals in a specific week. I think that should stand to reason. I am sure if there is a small number of cars to the west of Moose Jaw it is because they are to the east of Moose Jaw, having been in the process and still being in the process of moving animals.

Mr. Hargrave: A supplementary; would the minister please investigate and see if that is the case because I am sure it is. Could he do something about it?

Mr. Lang: Mr. Speaker, I could say once and for all that almost any time a member asks me to investigate something I will do so. It can be taken for granted. Unless I say I won't, I will follow that course of action. In view of my experience with this sort of allegation, I started my answer by saying I was quite satisfied this would not be the case.

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HOUSING

REQUEST FOR ESTIMATE OF NUMBER OF HOUSES THAT WILL BE BUILT UNDER AHOP PROGRAM AND COST TO TAXPAYER

Mr. John Gilbert (Broadview): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the fact that financial institutions have assured the minister of an increased allocation of mortgage moneys for low and moderately priced homes, how many homes has the minister estimated will be built under the AHOP program and what will be the cost to Canadian taxpayers by reason of the purchasers under the program passing on to the financial institutions the subsidies paid to them?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I did not quite understand the last part of the question. Maybe the hon. member understood it himself.

An hon. Member: I doubt it.

Mr. Gilbert: Mr. Speaker, I think I had better repeat the question. I am asking how many homes will be built under the AHOP program? How much money will it cost Canadian taxpayers with regard to the subsidies paid when the purchasers pass that subsidy on to the financial institutions?

Mr. Danson: Mr. Speaker, no subsidies are passed on to financial institutions under the AHOP program.

EFFECT OF NEW MEASURES ON LAND COSTS

Mr. John Gilbert (Broadview): A supplementary question. Maybe the minister should be made aware that the subsidies that are paid by him to the purchasers are eventually paid to the financial institutions. I would hope that he would get that very simple point. My supplementary question is, in view of the fact that high interest rates and high land costs are the main components of the high cost of housing, what is the minister's forecast on interest rates for the first six months of 1976 and what effect will the measures the minister announced yesterday have on bringing down land costs?

Hon. Barney Danson (Minister of State for Urban Affairs): First of all, Mr. Speaker, I think the hon. member does not seem to understand that financial institutions get their money from people such as small savers, pension funds and little people who have invested for their pensions. They deserve a return to compensate for inflation just the way anybody else in the New Democratic Party does.

What was the second part of his question?

[*Later:*]

Mr. Danson: Mr. Speaker, I apologize to the House for not answering the hon. member for Broadview on the portion of his question referring to land costs. I think it is obvious to anyone who listened to the announcement yesterday that land costs are being dealt with by increasing the subsidies to include water and giving municipalities $1,000 per unit within the guidelines to bring land on stream next year to allow building permits. That, more than anything else, should speed up the process. There is more to be done.

[*Translation*]

METHOD BY WHICH GOVERNMENT WILL MAKE MORTGAGE MONEY AVAILABLE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

In his statement delivered in the House yesterday, the minister said that his objective was to build more than 200,000 housing units. He added that to improve the liquidity of mortgages as an investment, the government will

make the federal Mortgage Exchange Corporation operational by April 1, 1976. Can the minister say by what procedure he expects to find the necessary funds for this purpose, since it is getting very late for the creation of new liquidities and how he intends to proceed so that the construction of houses will begin early in 1976?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the Federal Mortgage Exchange Corporation which is commencing operation on April 1, 1976 is a wholesaling instrument. It will not be lending money itself. The mortgage market will continue through the conventional channels. It acts as a residual source for the transfer and exchange of mortgages. There will be substantial government funding directly into the institutions and the rather massive CMHC mortgage portfolio can also be used as a mortgage exchange. It creates greater liquidity and helps make mortgages as an investment far more attractive. By doing so it will help keep the rates down. I hope it will lower rates significantly.

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COMMUNICATIONS

ALLEGED DETERIORATION OF TELEPHONE COMMUNICATIONS SYSTEMS—SUGGESTED DENIAL OF RATE INCREASES PENDING IMPROVEMENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Acting Minister of Communications. Since the persistence of the postal strike focuses attention on the ability of CNT and Bell Canada to cope with the extra load of telephone communications, it appears that telephone communication to most parts of Canada is deteriorating. Would the minister call for an investigation and make sure these two agencies can cope with normal telephone services and deny them an increase in rates until they can do so?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the hon. member has pointed out something that could obviously be a serious problem. I will certainly bring it to the attention of the ministry.

* * *

HOUSING

REQUEST FOR BREAKDOWN OF $750 MILLION BETWEEN FINANCIAL INSTITUTIONS—RATE OF INCREASE IN INVESTMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs supplementary to the question asked by the hon. member for Oshawa-Whitby. Has the minister allotted the requirement for this additional $750 million among the various institutions involved, that is the banks, the trust companies, insurance companies, etc.? If so, could he give us a rough idea of the breakdown of where he expects this $750 million to come from?

[Mr. Beaudoin.]

Hon. Barney Danson (Minister of State for Urban Affairs): No, Mr. Speaker, I cannot give that breakdown specifically now. My officials are meeting with the principal lenders. I am meeting with some of them on Thursday of this week and my officials again on Friday. There does not seem to be any difficulty in arriving at that figure according to the lenders. I think we will get the total amount we need. I am hoping the strength will be such that we can even increase that more than is required and perhaps help people with existing housing as well.

● (1450)

Mr. Darling: A further supplementary, Mr. Speaker. Given that housing costs have been rising and are expected to continue to rise at a rate of at least 10 per cent a year, will the minister agree that, in real terms, what he is aiming for is an increase in real housing investment of closer to 4 per cent than 14 per cent?

Mr. Danson: No, Mr. Speaker. The houses which will be included in this scheme will be lower cost to begin with. I think the hon. member will recognize, as a businessman, that now the industry and labour, everyone involved in the building industry, will be able to set their objectives for a period of four years to become as competitive as possible and thus reduce prices. As any businessman will realize, when you know what your market might be, and it is substantial and sustained, you can build in your economies and costs. Your competitors bring in the economies of prices.

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THE MINISTRY

DATE OF ANNOUNCEMENT OF NEW MINISTER OF COMMUNICATIONS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is supplementary to that asked by the hon. member for Humber-St. George's-St. Barbe. I wish to direct it to the Prime Minister. In view of the resignation of the Minister of Communications, Pierre Juneau, has the Prime Minister decided on a replacement for this minister, who it will be and when the announcement of the new appointment will be made in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not decided on the replacement at this time. I am so satisfied with the work of the parliamentary secretary and the acting minister that I feel in no hurry to decide.

Some hon. Members: Hear, hear!

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INDIAN AFFAIRS

ALLEGED ACTION TO PREVENT JAPANESE DOCTOR FROM EXAMINING THREE NATIVES FOR MERCURY POISONING

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It relates to a problem I referred to last week regarding mercury. In view of a recent statement that

federal government officials flew three Cree back to Matagami ahead of schedule to prevent a Japanese doctor from examining them for symptoms of Minamata disease and given the fact these patients had mercury blood levels higher than those of 100 Japanese who died and another 800 who were crippled by mercury poisoning at Minamata, Japan, can the minister possibly explain the action taken by these federal officials?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will be happy to look into the matter. It is my understanding that it was not officials from my department.

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IMMIGRATION

ACTION TO AID IMMIGRANTS FROM LEBANON IN VIEW OF CONTINUED FIGHTING

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the Minister of Manpower and Immigration. It arises out of the deteriorating situation in Lebanon, which is a mother country to many Canadian citizens. Has the government taken account of this deteriorating situation as it involves those who wish to become Canadians? If so, what special measures are being taken?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have stayed very close to the unfortunate developments in Beirut and Lebanon. In fact, there probably will be a reduction in our number of officers there until the situation clarifies. It is very difficult for some of the people to get into our offices to make application. We are taking certain measures to try to alleviate this by looking at applications in other places, if they can get to offices outside Beirut.

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[*Translation*]

HOUSE OF COMMONS

ALLEGATION MEMBER FOR ST. HYACINTHE RECEIVING ADDITION TO SALARY FROM CONSERVATIVE PARTY

Mr. Raymond Dupont (Sainte-Marie): Mr. Speaker, I should like to ask the Minister of Justice a question.

Could the minister tell the House whether his department is investigating the situation of the hon. member for Saint-Hyacinthe regarding what might be a breach of bill C-44? The *Globe and Mail* is crediting this Progressive Conservative member with the admission that he has been receiving special funds from the Progressive Conservative Party over and above his salary as a member of parliament, and this, since 1972.

[*English*]

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I have not seen the article. I will look it up.

HOUSING

REASON RENT INCREASES NOT LIMITED TO INCREASES IN COSTS

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In his statement in the House yesterday, the minister said that he had encouraged the provinces to institute rent control based on the government's anti-inflation guidelines; in other words, based on the use of a maximum allowable percentage increase in rents. My question is this. In view of the fact that the same guidelines establish that all other producers may only pass on cost increases as they actually occur, why are landlords being treated differently and being allowed to increase rents up to a certain percentage whether or not their costs have increased?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, there is actually no firm agreement on this yet. This was discussed at great length with the housing ministers yesterday. Our officials continued the talks well into the evening. We are having further talks. Indeed, the hon. member will understand that the provinces are instituting these guidelines. We are working together to establish parameters which will be relatively consistent across the country, but allow for variations within the provinces. Until I meet with the ministers, which I hope to do in another ten days to two weeks, I do not want to commit ourselves to a position that might be inconsistent with that of some provinces. As the hon. member knows, that is the practice in British Columbia where they had rent controls and allowed a 10.6 per cent increase without appeal. Of course, this is one of the options we will look at.

* * *

FINANCE

MEASURES TO ENCOURAGE EXPORTS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is to the Minister of Finance. In view of the necessity to increase our exports as an anti-inflationary measure, and in view of the impending increase of international prices for metals, has the government decided on the guidelines to the exporting companies to encourage their activities over the next few years in this field?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we now have under consideration the proposal with respect to treating export profits that was referred to in the white paper. I anticipate that a piece of legislation dealing with this matter will come before the House prior to Christmas.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of the statements in the white paper, are the government's thoughts leading toward an export tax or allowing these companies to put these excess revenues into a capital surplus account?

Mr. Macdonald (Rosedale): Mr. Speaker, the government's thinking has been running along the latter lines. That is to say the tax will be refundable against certain contingencies, the most important of which will be reinvestment in capital investment in Canada.

* * *

POST OFFICE

STRIKE OF INSIDE WORKERS—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to ask the Postmaster General to bring the House and the country up to date on the negotiations with the postal workers' union. In view of the great dislocation and inconvenience this strike is causing to the Canadian people, is there any possibility of a settlement being arrived at this week?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I thank the hon. member for the very objective question and the manner in which he placed it. All outstanding issues without exception have now been resolved, other than the monetary issue.

Some hon. Members: Oh, oh!

Mr. Hees: A little thing like that, nothing to it.

Mr. Mackasey: It would be little if I were prepared to give away the treasury. We would have a settlement within five minutes. However, I do not think that would be very responsible.

Some hon. Members: Hear, hear!

Mr. Mackasey: All outstanding issues which in the opinion of the union are more important than money have been resolved. The question of automation has been resolved. The question of part-time and casuals has been resolved. The issue of the post office continuing to have the right to use casuals because it is a service industry has been resolved to our satisfaction. What now remains is the monetary settlement on which talks, I am sure, have begun. There are maybe 19 or 20 of these outstanding. They should not require an awful lot of time. Whether the strike will be over shortly or whether it will be lengthy in the final analysis depends on the union that called the strike in the first place.

● (1500)

STRIKE OF INSIDE WORKERS—GOVERNMENT INTENTION WITH REGARD TO BACK TO WORK LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): A supplementary, Mr. Speaker. Since both the Prime Minister and the Acting Prime Minister last week denied the government had any plans to restore postal services while negotiations are going on, and since the Prime Minister is reported to have said in Regina recently that parliament will pass a return-to-work order at an appropriate time, I should like the right hon. gentleman to tell us what is the government's policy on this issue.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is probably referring to an answer I gave to the question whether, at some time, parliament would be called upon to act. I gave my standard reply—hon. members will be familiar with it—which is that at some time the right of free collective bargaining has to give way to intervention by parliament when we judge that the public disservice caused by a strike outweighs the freedom of the right to strike itself. That is a judgment which the government has made in the past—we have done that a few times in past years. Hopefully, it will not have to make it on this occasion, because of the apparent success of the Postmaster General.

MAINTENANCE OF RIGHT OF CASUAL EMPLOYES NOT TO JOIN UNION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): My supplementary is to the Postmaster General. Did the minister, in his deliberations with the union, maintain the freedom of Canadian citizens to accept casual employment without joining a union?

Hon. Bryce Mackasey (Postmaster General): I should like to be very frank with the hon. member on this issue but I think I shall have to ask him to show some patience because, traditionally, terms or conditions affecting a collective agreement arrived at through negotiation are the prerogative of the union to announce to its membership at the time of ratification and I would not wish in any way unintentionally to jeopardize or prejudice this undoubted right of unions.

Mr. Woolliams: I rise on a point of order, Mr. Speaker. On Friday, October 31, I directed a question to the Minister of Justice (Mr. Basford) as reported at page 8740 of *Hansard*. I asked whether he, as the Attorney General of Canada, would intervene in the hearing which is to be held before the Federal Court concerning the chairman of the National Energy Board. The hon. gentleman promised at that time that he would supply the information. I was waiting today for that information. I believe a hearing has been held. I would have thought the minister would have voluntarily supplied information on such an important subject, especially when three applications are now before the National Energy Board in connection with a big Canadian project having to do with energy, one of the factors of which so closely affects the rate of inflation.

Mr. Basford: Mr. Speaker, the Department of Justice appeared at the hearings on Friday last in the Federal Court when the court issued directions and set the matter down for hearing on December 8. I have not answered the hon. member's question yet because he asked in what capacity the Attorney General of Canada would be intervening and I have not yet determined that point. I expect to determine the question this week. I appreciate the importance attached to this question; that is why we are considering very carefully the position the Attorney General will take. I will supply the hon. member with the information for which he is asking once a decision has been taken.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

TABLING OF AGREEMENT WITH QUEBEC CONCERNING EMPLOYMENT OF FOREIGN NATIONALS

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I wish to table, under the provisions of Standing Order 41(2), the agreement signed with the province of Quebec on October 17, 1975, concerning information, recruitment and selection of foreign nationals residing outside Canada for permanent residence or temporary employment in the province of Quebec.

* * *

[*Translation*]

EASTERN CANADA SAVINGS AND LOAN COMPANY; CENTRAL AND NOVA SCOTIA TRUST COMPANY

REFERENCE TO COMMITTEE OF PETITION TO AMALGAMATE

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, seconded by the hon. member for Chambly (Mr. Loiselle), I move:

That, pursuant to the provisions of Standing Order 99, the petition of The Eastern Canada Savings and Loan Company and Central & Nova Scotia Trust Company seeking the passing of an Act enabling them to amalgamate for the purpose of continuing thereafter as one corporate entity, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, together with the Fifteenth Report of the Clerk of Petitions thereon, presented on Friday, October 31, 1975, for any recommendations the Committee deems advisable.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

IAC LIMITED

REFERENCE TO COMMITTEE OF PETITION TO INCORPORATE CONTINENTAL BANK OF CANADA

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, seconded by the hon. member for Chambly (Mr. Loiselle), I move:

That, pursuant to the provisions of Standing Order 99, the petition of IAC Limited seeking the passing of an Act incorporating the "Continental Bank of Canada" and, in French, Banque continentale du Canada, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, together with the Sixteenth Report of the Clerk of Petitions thereon, tabled on Monday, November 3, 1975, for any recommendations the Committee deems advisable.

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

Some hon. Members: Agreed.

Motion agreed to.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,146, 3,150, 3,151, 3,192 and 3,250. I ask that the remaining questions be allowed to stand.

[*Text*]

TRANSFER OF VETERANS' HOSPITALS

Question No. 3,146—**Mr. Munro (Esquimalt-Saanich):**

1. Has an agreement of veterans hospitals and veterans care been signed with the (a) Ontario Government (b) Quebec Government and, if so, will the texts be tabled?

2. How many beds for veterans are guaranteed under the agreement with the Ontario Government relating to Sunnybrook Hospital?

3. How many veterans eligible for hospital or out-patient care were in the area served by Sunnybrook at the time the handover agreement was signed?

4. How many beds for veterans are provided by the Veterans Hospital at Ste. Anne de Bellevue?

5. How many veterans eligible for hospital or out-patient care are in the area served by the hospital?

6. How many veterans eligible for hospital or out-patient care were in the area served by the Veterans Hospital in Victoria at the time the handover agreement was signed with the British Columbia Government?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) No agreement has yet been signed for the transfer of Westminster Hospital, London, Ontario, although, of course, an agreement was signed many years ago for the transfer of Sunnybrook Hospital, Toronto, to the University of Toronto. (b) No agreement has yet been reached with the Quebec Government with respect to the transfer of Queen Mary Veterans Hospital, Montreal, or Ste. Anne's Hospital, Ste. Anne de Bellevue, Quebec. Should agreements be entered into, the texts would not be confidential and could be made available to anyone wishing to see them.

2. 630 for active treatment. 570 for chronic treatment and domiciliary care.

3. 204,126.

4. 1,060.

5. 120,745.

6. 31,490.

LIP—AMOUNT OF FUNDING TO RICHMOND CONSTITUENCY

Question No. 3,150—**Mr. Beaudoin:**

1. Since the inception of the Local Initiatives Programme, how much money has been allocated to the Constituency of Richmond?

2. For each project approved, what was the (a) title (b) amount allocated (c) year of approval (d) town concerned (e) number of jobs created?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. As statistics for the 1971-72 Local Initiatives Program were not maintained on a constituency

Order Paper Questions

basis, the total amount of funding to the constituency since the Program's inception in 1971 cannot be ascertained. A total of $1,422,911 was contracted to Local Initiatives Program projects with addresses in the constituency of Richmond under the 1972-73, 1973-74, and 1974-75 Programs.

2. (a), (b), (c), (d) and (e) See following table.

Local Initiatives Program projects funded in the constituency of Richmond for the years 1972-73, 1973-74, 1974-75

1972-73

Project Title	Amount of funding	Location	Number of Jobs Created
Rénovation et Réparations à l'église des Sts-Anges	$10,892	Ham-Nord	11
Service d'aide aux gens défavorisés	59,512	Asbestos	12
O.S.S. Opération Secours Soleil	34,399	Gentilly	6
La Terre Wotton Inc.	33,384	Wotton	12
L'Entraide-famille	77,531	Asbestos	13
Municipalité St-Adrien	11,700	St-Adrien	20
Initiatives Locales Corporation Municipale Saint-Fortunat	44,109	St-Fortunat	17
Fabrique de la Paroisse de St-Fortunat	52,209	St-Fortunat	26
Garderie d'enfants Ville de Disraeli	74,046	Disraeli	13
Aréna de Poche	40,248	Ham-Nord	21
Organisation des Loisirs	11,232	Weedon	13
Chemin de chalets chez Turgeon	30,483	Disraeli	11
Initiatives Locales de la Municipalité du canton de Chester-Ouest	27,860	St-Paul de Chester	10
Travaux-Loisirs	21,645	Gentilly	10
Aménagement de Ravages de chevreuils dans les cantons de l'Est	24,336	Bromptonville	13
Travaux Municipaux	28,024	Tingwick	13
Travaux Municipaux	15,561	Bromptonville	13
Ste-Luce Disraeli	12,987	Disraeli	24
L'Éveil au milieu ambiant	39,898	Danville	20
Réservoir souterrain et station pompage	48,438	Disraeli	30
Étude de l'environnement du Lac "Trois-Upics"	9,945	Asbestos	5
Rénovation 1973	12,454	Ham-Nord	12
Restauration et Amélioration	10,530	Windsor	6
Rénovation de l'hôtel de ville	9,857	Danville	7

1973-74

Opération Regain de Vie	9,360	St-Adolphe de Dudswell	3
Service d'Aide à Domicile	21,262	Disraeli	8
Aides aux Malades et Handicapés	30,000	Asbestos	15
Parc Municipal	24,695	Disraeli	17
Environnement et Loisirs: Orientation 1974	34,320	Ham-Nord	11
Centre Communautaire de Garthby	34,828	Garthby	15
Opération Loisir St-Denis de Brompton	24,420	St-Denis de Brompton	10
L'Entraide familiale	46,280	Asbestos	22
Loisir Sport St-François-Xavier de Brompton	15,128	St-François-Xavier de Brompton	5

[Mr. Andras.]

1973-74

Les Initiatives Locales de Bishopton	23,280	Bishopton	34
Accès continu au Centre d'accueil	19,775	Windsor	7
Corporation Ville de Bromptonville	22,560	Bromptonville	14
Organisation des loisirs	10,560	Weedon	6
Sports Loisirs Stratford	12,190	Stratford Centre	4
Fabrique de Notre-Dame de Lourdes de Ham	54,240	Notre-Dame de Ham	24

1974-75

Travaux Municipaux de Bromptonville	34,056	Bromptonville	34
Aménagement d'un parc municipal	35,480	Weedon	10
Les loisirs de Weedon Inc.	10,686	Weedon	3
La Fabrique Ste-Praxède et ses loisirs	20,675	Ste-Praxède	9
Accès continu à la salle d'accueil	24,409	Windsor	7
Environnement et loisirs St-Adolphe	10,686	Bishopton	3
Municipalité pour tous	28,431	Notre-Dame de Ham	8
La Vie au grand air	27,716	St-François-Xavier	8
Activité de grand air	11,700	St-Denis de Brompton	5
A Prop'eau	26,275	Trois-Lacs	8
Amusement-Jeunesse	19,728	Bishopton	6
Rénovation de l'église de St-Hippolythe	10,960	Wottonville	8
Bibliothèque de ce temps	23,688	Asbestos	8
Stratford Plein Air	14,243	Stratford Centre	8

OFY-AMOUNT OF FUNDING TO RICHMOND CONSTITUENCY

Question No. 3,151—**Mr. Beaudoin:**

1. Since the inception of the Opportunities for Youth Programme, how much money has been allocated to the Constituency of Richmond?

2. For each project approved, what was the (a) title (b) amount allocated (c) year of approval (d) town concerned (e) number of jobs created?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Statistics for the Opportunities for Youth Program prior to 1975 were not maintained on a constituency basis, and thus the information requested is not available. Under the 1975 Program, a total of $200,553 was contracted to projects based in the constituency of Richmond.

2. (a), (b), (c), (d) and (e) See following table. (This information is available for the 1975 OFY Program only).

Opportunities for Youth Projects funded in the constituency of Richmond in the year 1975.

1975

Project Title	Amount of funding	Location	Number of Jobs Created
Option Natation	$7,949	Richmond	6
Tourbillon '75	11,684	Montréal	7
Les Marionnettes Volantes	7,100	Disraeli (and area)	6
Le Pana 75	4,750	Waterloo	4
La Pente Douce	10,400	Windsor	9

1975

Project Title	Amount of funding	Location	Number of Jobs Created
La Fourmillière	8,400	Weedon (and area)	7
Camp Régional pour déficients mentaux	18,800	St-Camille	13
Groupaction	5,882	St-Élie d'Orford	5
Club-Soleil	9,188	Asbestos	6
Gens de chez-nous	16,000	Richmond	11
Stratford Attrayant	13,000	Stratford	11
Pré-Vent-Sport	8,500	St-Denis-de-Brompton	8
Aménagement Rivière Stoke Phase III	21,000	Stoke Centre	13
Les Folkloristes	10,750	Windsor	8
Camp Musical '75	13,660	Asbestos	14
Récréations Municipales	8,000	Ham-Nord	7
Bonne Action	6,080	Bishopton	5
Organization of Open Air Campsite	11,410	Stoke	8
Projet St-Camille	8,000	St-Camille	6

LAWYERS ENGAGED BY DEPARTMENT OF JUSTICE IN NEW BRUNSWICK SINCE JANUARY 1, 1974

Question No. 3,192—**Mr. Howie:**

What are (a) the names (b) the amount paid to each (c) the services performed by all lawyers engaged in New Brunswick by the Department of Justice since January 1, 1974?

Hon. Ron Basford (Minister of Justice): In so far as agents of the Minister of Justice are concerned:

(A)	(B)	(C)
Anderson, William	295.00	Criminal
Appleby, Olmstead & Quinn	3,525.45	Criminal
Barry, John P.	450.00	Criminal
Bingham, Wm. R.	105.00	Criminal
Boisvert, Guy	1,723.00	Property
Brien, Alfred	1,639.95	Criminal Property
Brisson, Charles E.	5,724.12	Criminal Property
Bryden, John G.	7,199.80	Criminal Property
Burchill, Wm. J.	10,373.02	Criminal Property
Chiasson, Paul E.	9,428.75	Criminal Property
Cochrane, Richard B.	731.20	Criminal
Cullinan, Donald L.	9.29	Property
Cyr, Leonide	8,718.40	Criminal
Dube, J. A. R.	5,268.40	Criminal Property
Duffie, Theodore E.	11,875.02	Criminal Property
Dumont, Guy E.	3,776.74	Criminal Property
Godin, Gerard	2,236.08	Criminal Property
Gorman, Patrick G.	3,738.00	Property
Hayes, Paul	15,757.44	Property
Hogan, J. J.	1,067.50	Criminal
Hoyt, W. L.	32,561.96	Criminal
Hughes & Malone	5,463.45	Criminal
Hughes, David C.	13,191.52	Criminal Property
Keating, Lloyd E.	13,055.99	Property
Lampert, Irwin	6,030.75	Criminal
Lawson, William L.	3,838.70	Property
Leblanc, Bernard	3,043.15	Property
Lebouthillier, Alie A.	3,230.60	Criminal Property
Leger, Franklyn O.	697.26	Property
Lordon, Paul	6,278.37	Criminal Property
Losier, A. J.	787.43	Property
McCaffrey, Pat	5.444.70	Criminal Property
McCallum, John D.	6,143.95	Property
McGloan, Thomas L.	642.73	Property
McKenna, Hubert P.	1,773.95	Criminal
Maddox, Paul B.	8,400.55	Criminal Property
Malone, Brian	42,861.80	Criminal
Martin, J. Robert	378.50	Property
Maxwell, Wendell J.	452.50	Criminal
Meldrum, W. W.	400.00	Criminal
Michaud, Jean Marc	410.55	Property Criminal
Michaud, Lebland & Robichaud	7,137.65	Criminal Property
Mitton, Irving G.	3,372.00	Criminal
Mitton, Myron	17,179.85	Criminal
Pappas, Deno P.	4,914.15	Criminal
Purnell & Brien	23,865.89	Criminal Property
Richard, Clovis	794.80	Criminal
Richard, John J.	255.00	Criminal
Roy & Losier	364.75	Criminal
Sargeant, Charles A.	8,853.29	Property
Scullin, J. E.	4,508.55	Criminal Property
Shaw, Richard G.	1,869.93	Criminal Property
Somers, E. J.	2,330.53	Criminal
Tingley, Richard J.	13,383.54	Criminal
Tweedie, E. T.	130.00	Criminal
Whelly, Charles	3,425.75	Property

PROFITS ACHIEVED BY NORTHERN TRANSPORTATION COMPANY LIMITED

Question No. 3,250—**Mr. Andre (Calgary Centre):**

1. What was the total (a) revenue generated (b) tonnage carried (c) number of dollars achieved in profits by the Northern Transportation Company Limited over each of the past five years?

2. What was the total number of employees on the payroll of the Company in each of the past five years?

Hon. Otto E. Lang (Minister of Transport): The Northern Transportation Company Limited advises as follows: 1.

Year	Total Revenue (000)	Marine Tons (000)	Profit (Loss) (000)
1974	20,036	337	(4,406)
1973	16,399	328	(1,987)
1972	15,829	399	1,955
1971	7,754	283	(1,222)
1970	8,356	281	(544)

2.

	Peak Season Employment
1974	952
1973	1,127
1972	707
1971	561
1970	619

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed, from Monday, November 3, consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. J. R. Ellis (Hastings): Mr. Speaker, last evening I had time for only a very brief comment before ten o'clock. It appears that views on this particular bill vary considerably and the reasons for opposing it vary considerably. I, personally, take very little pleasure in opposing this piece of legislation. Goodness knows, the act needs amending. Indeed, my main reason for opposing it is that the act needs rewriting from top to bottom. The government is once again tinkering with a piece of legislation which requires major reform.

To look at specifics, the bill claims to eliminate inequities in the existing act. I suggest that the measure before us does nothing of the kind. It does not even remove some of the minor inequities, and for every one that is perhaps eliminated two more are introduced. The bill's complexities are of the same order. According to the material provided by the minister, the bill will extend the period during which eligibility for benefit may be established in respect of persons who have left the labour force for a time for reasons beyond their control, such as disability under workmen's compensation. I am not at all sure that the provisions in the legislation will do anything to deal with some of the problems I have encountered. I am thinking in particular of a gentleman who went on workmen's compensation in September, His sixty-fifth birthday was in May of the following year. He was not interested in drawing unemployment insurance because he was receiving workmen's compensation benefits. However, there is a benefit called a three-week retirement entitlement, and he was not allowed to take advantage of this entitlement although he had contributed to the plan for 34 years.

● (1510)

Worse than that was the fact that when I raised the matter with the officials in the department, they twice agreed that the man was entitled to benefit yet on the third occasion turned him down again. That time, of course, they made a slip, but as a consequence this man still has no entitlement to his three-week retirement benefit.

Another gentleman because he had a younger family, continued working until he was 73 years of age. By the time he got around to retiring he knew about the three-week retirement entitlement, but was told he could not have it because he was three years past the age at which the benefits were paid. Had he quit working at 70, he could have collected his three-week benefit and then gone back to work for the next three years, with no problem. As it was, the man was disentitled from obtaining benefit, having worked even longer to pay into the plan.

[Mr. Lang.]

One of the main features of the plan seems to be to take it out of the over 65-year olds, the contention being that the over 65s are well looked after in other ways. I think the minister is saying in this legislation that some of the over 65s have been abusing the plan. There may be some who have, as there are in any age group, but the number is minute compared to the abuses that take place in the 20 to 25 age bracket. I ask the minister why he intends to take it out of the aged. Some people in the over 65 age group are breadwinners. For various reasons they have young families; perhaps because they married a second time or adopted children. These people need to work and they want to work beyond the age of 65.

The saving that will be accomplished by taking the over 65s off the rolls will be minuscule. There are already provisions in the act to pay benefits if errors are made. We have the weird and wonderful sensation of the department from time to time trying to garnishee old age security. If errors are made, surely the department should admit they have been made, and if benefits should have been paid in the first place perhaps it is time the commission were smart enough to admit they should have been paid.

There are other amendments to the plan, including coverage under Local Initiative and Local Employment Assistance Programs. Although this is a very small item, it now seems that anyone who runs out of unemployment insurance can apply under the LIP program and get back on unemployment insurance; then the next year he can apply under the LEAP program and once more get back on unemployment insurance. I think that is the best deal yet for anyone who is a professional and not working.

An hon. Member: From LIP to LEAP.

Mr. Ellis: From LIP to LEAP, with UIC in between. The government is also introducing greater flexibility into the payment of sickness benefits. This is something that needs to be done. We have all come across claimants who have been laid off during the winter time for one or two weeks. There are a number of reasons for this; for example, the owner of a small business might take a holiday so he has to lay off his employees for three or four weeks. They all draw unemployment insurance, then five or six months later the employer himself becomes seriously ill but receives no sick benefits because of his previous entitlement.

A few years ago I went into considerable detail in looking into the Unemployment Insurance Commission. Most hon. members will remember some of the situations I ran across, catalogued and presented to the House; for example, there were abuses of the plan involving some $1 billion. None of my findings was ever seriously challenged by the minister or his department, though they had the RCMP trying to find something wrong with them. One of the challenges that I issued at that time, and which I issue again now, is in the area of sick benefits. The department is well aware that errors have been made in their calculations to the tune of $250 million to $300 million, yet despite those errors in calculation the bill was allowed to proceed. These figures were never corrected, showing an arrogant and ill-disguised disregard for the people of Canada.

Four years later we are facing the same problem. But what are we doing about it? We are using a band-aid where

major surgery is required. The minister has made quite a point of saying that he is eliminating the disincentives that might be associated with the current legislation. In other words, he is saying that if workers quit then they have a six-week disentitlement. According to the information given by the minister, the number of disqualifications has not improved very much. As a matter of fact, the situation is a little worse; the number is around 300,000 annually. I suggest this number will not be changed by imposing a piddling little penalty that increases the period to six weeks. If you work for a while, then get yourself laid off or fired so as to get unemployment insurance benefits, the length of time you are off work before receiving benefits really is not that important. If you are going to milk the system, a couple of weeks one way or the other is not of much consequence.

Would it not make more sense to relate the length of the period of benefits to the work period? One of the major problems employers find today is getting decent help. I am sure there is not a member of the House who has not had this problem put to him by small businessmen who are trying to compete with unemployment insurance. I do not think I am unique, and my files are full of such cases.

One of the changes made in the legislation which seems to me almost like a damn fool clause is the provision removing from coverage persons who control 50 per cent of their own company. Frankly, these people did not want to be in the plan in the first place. I previously have spelled out to the House the case of a gentleman in the $50,000 a year bracket who successfully collected unemployment insurance for seven weeks and still drew full salary—and all of this legally, without abrogating the legislation at all.

There have been many abuses of the act, and I do not need to go into them now in detail. But the important thing is that the legislation is not going to change the situation at all. Surely, the provision regarding voluntary termination need not have been written into the act. If someone wishes for some reason or other to cease drawing benefits, surely it is not necessary to write this into the legislation.

The threshold formula, the new benchmark, is surely an admission by the government of its inability to bring unemployment down to the level it should be. The government increases the rate by 20 per cent, yet at the same time preaches restraint. It asks management and labour to hold to the 10 per cent line, then forces both into the position of paying an extra 20 per cent to the UIC.

I do not have much sympathy either for big corporations or big unions, most of which are quite capable of looking after themselves. The worry I have, and I am sure it is the worry of most members of parliament, is for small businessmen, carpenters, tradesmen who work in a very small company, people who do not have the protection of major unions or corporations to look after their needs. These big corporations, and in some cases big unions, are as much responsible for inflation as anyone else, but they run a poor second to the Government of Canada.

● (1520)

The increase of 20 per cent is not fair at this time. Why put it in now, particularly when the minister admitted to me in answer to a question yesterday that income is coming in faster than it is going out? Why put it in, when the minister said—if I read his answer correctly, and I double-checked it today to make sure—the premiums collected are in fact being used not only to pay benefits but to pay back the overcharges during the past few years? The minister suggested that if this situation continues as it has in the past, there will be enough premiums collected to balance the account in the very near future. If that is the case, why do we require the extra 20 per cent right now: it only adds to the burden that labour must carry? I am as much in favour as anyone of our having an actuarially sound scheme, but in view of the way the situation appears to be developing there is no need for this increase at this time.

I see that my time has almost expired, Mr. Speaker. Unlike hon. members to my left and to my right, I do not take a great deal of pleasure in opposing this bill. I would much prefer to see the bill properly rewritten to include some of the changes suggested by my colleagues. Other hon. members have gleefully referred to some of the problems. I wish I could vote for a bill that would do the job that is necessary, but as I see it the minister is still deceiving the Canadian public by telling them that this measure is necessary to solve our unemployment insurance problems. What we need is some basic honesty in this or some other piece of legislation to correct the Unemployment Insurance Act. I would gladly support such a piece of legislation.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I take the opportunity of this debate on second reading of Bill C-69 to say a few words about the unemployment insurance program. Although the bill deals with specific amendments, it is normal, at this stage of the discussions, to talk about the whole program.

I support the motion that the bill be referred to the Standing Committee on Labour, Manpower and Immigration because I think that it has been sufficiently improved to be submitted to the consideration of the committee where the members will proceed to a thorough study.

However, I will make a few reservations later with respect to this bill.

I congratulate the minister for the amendments pertaining to old age and maternity insurance, which have already been passed pursuant to another bill. As for the entitlement of LIP sponsors, the legislation will enable applicants to discontinue voluntarily the benefits and provide for the extension of the qualifying period as well as for the eligibility of claimants who are in receipt of workmen's compensation payments, of prisoners and other workers who had to quit their jobs for reasons beyond their control.

I think these amendments are wise and will result in a better program. The minister listened carefully to the debate and I hope he will be convinced of the value of amending the bill. In my view, we should not start disqualifying any claimant from the unemployment insurance program, nor should we delete any item from the program, which may result in making it less liberal, until a comprehensive survey of all our social and economic adjustment programs has been carried out. An attempt should be made to merge those programs one way or another and perhaps it could be useful to have a parliamentary committee consid-

er the suggestion. At one point, Mr. Speaker, I thought of introducing an amendment to that motion which would precisely have the effect of withdrawing the bill and referring its subject matter to a committee. But I see that such an act on my part, if my amendment were accepted, would seriously delay the passage of the good aspects of the bill.

So I thought it might be better if I joined others of my colleagues and opposition members to try and improve the bill at the committee stage or the report stage. However, I will continue to make that suggestion before we make other minor changes at random in the unemployment insurance program, those changes will not be an improvement but a departure from the program we had in 1971. I will continue to make the suggestion to try and get terms of reference for a parliamentary committee so hon. members may examine the variety of our programs and our policy of economic and social changes so we can, at least at the conceptual level, merge some of those programs and have a much more rational approach that would meet most of the recognized disadvantages of the program and the criticisms we hear in this House or elsewhere.

I think all participants in this debate agree on certain points of the unemployment insurance program. I see a common denominator on many factors. First, all those who spoke in this debate agree that we need an unemployment insurance program, a work insurance program. Second in amending the legislation all want as much as possible to stop abuses in the unemployment insurance program. Third, they want our social programs to encourage productivity, and when I use the word "productivity" I do not mean mere economic productivity, but social and economic productivity.

I really think that parliamentary committee could make a non-partisan and in-depth study and arrive at recommendations that would improve our social programs. Hon. members can assess those programs because they know the problems. There are few of their offices where the staff is not constantly urged to intervene with the Unemployment Insurance Commission, or the provincial social service departments, on behalf of the unemployed or those who feel ill-treated by the civil service or by the programs themselves.

To my mind, this Bill C-69 goes too far on the one hand, and not far enough on the other. Still, I can understand that the minister intended to bring in changes at this time, that he had reasons to wait—as he mentioned in his speech—for a far more complete and comprehensive revision. As regards the change in the legislation aiming at solving the problem of voluntary retirement from work through legislative means, I think that we should try to solve this problem through administrative means. I admit that it is important for some people to put it into the act, but in my opinion this problem can be solved through administrative improvements. It is not necessary to amend the act, but on this point I can say that personally I would rather not see this amendment in the bill, although I can accept it, precisely because I think it is an administrative problem.

If a recipient cannot prove that he is actively seeking employment, he is disqualified for an indefinite period. So what then is the solution of the proposed amendment? Nothing, from a legislative point of view, because with a good administration, a humane administration of course, good results can be achieved. By the way, I might say that the administration of the Unemployment Insurance Commission is improving, at least in my region. We have had problems when the two programs were combined, the one before 1971 and the new one, but I can say that in my region, and I think that it is the same in the Atlantic region in general, the administration of the program is improving as regards efficiency and that it is becoming more humane following the changes made last year.

Thus we can now eliminate indefinitely, and not only for three or six weeks, those who are not actively looking for a job.

Unfortunately, the bill ventures into two other areas concerning the philosophy of the program and, as I said earlier, I think the government should steer clear of a piecemeal approach toward important programs like the unemployment insurance scheme before a study is made on the whole situation. I hope that before proceeding to his new series of amendments, the minister will ensure that a parliamentary committee, and I insist on this, makes a study on the subject. I insist on this because, through the very nature of their work and through their participation in society, hon. members know the problems of social adjustment and of poverty in general, and I would like to have a parliamentary study on the subject.

Those two provisions which I would have preferred to see deferred are the lowering from 70 to 65 of the maximum age for coverage under the plan. I said earlier that I would support the motion for second reading of the bill, but I wish to tell the House and the minister that I am against the change in maximum age for coverage. I will oppose it in committee if I get a chance, and I will oppose it in the House if amendments are moved; moreover, I might move some myself. I also oppose another proposed change in the rate of benefits for claimants with dependents. I understand the arguments of the minister in favour of both of these changes. I agree that, had we introduced those changes when we increased old-age pensions and modified the family allowance plan, it might not have been possible then.

I agree in principle that the Unemployment Insurance Plan should not normally be used in that way, since it is a problem which will have to be dealt with in another program. Unfortunately, timing is important when dealing with government affairs, and I do not think we should start denying anyone benefits unless we clearly have something else to offer. I might agree to those changes later, when we have carried out a more detailed study of the matter as the minister mentioned, with a view to bring all social programs into line. Perhaps then we will be in a position to come up with an evaluation. But right now, I object to those measures. This, however, is no reason for opposing the second reading of the bill, which contains some good provisions. I think we all agree with some of the amendments proposed in the bill. I do not think it would be reasonable to oppose it on second reading. But later, when it comes to third reading, unless those measures are modified, I will find it extremely difficult to support the bill.

● (1530)

[*English*]

I would like to deal very briefly with some of the arguments that have come forward concerning the philosophy of the program. I said earlier I would agree to a basic and comprehensive reform not only of the unemployment insurance program but also the economic and social adjustment program of the government. I think a parliamentary study of this problem would be useful. The minister in his speech mentioned that he is conducting a review of the UIC program. I should like to quote the minister in order to put in proper context what I am saying. As reported at page 8567 of *Hansard*, the minister said:

> I should like to emphasize that the changes contained in this bill which is being presented to parliament are the results of the first findings of our review of the legislation. However, as is proper with a program of such significance, this comprehensive examination is continuing, particularly in relationship to two parallel policy developments. I mentioned one, the over-all harmonization of all our social security programs. The other is the evolution of an integrated and more comprehensive manpower policy.

I was glad to hear the minister say those words. He has shown in the past that he is the type of man who would be very co-operative. I am sure he will consider favourably my suggestion that once we have dealt with this bill, in conjunction with the Minister of National Health and Welfare (Mr. Lalonde) he conduct a review of all these programs, not only UIC. In my view, it has to do with all social and economic adjustment programs.

Given the fact that unemployment is a reality in this country, primarily it is a regional problem. I have always said that one day I would like to make a special study in this regard, and probably I will. I would like to know exactly what the impact of unemployment is on the Gaspé peninsula, the northern region of Quebec, the northern region of New Brunswick, Newfoundland, and a few other regions of the country. I should like to see exactly what impact national unemployment has on employment situation in these regions. Perhaps we are not talking about an employment problem or a social adjustment problem at all but, rather, a regional economic problem.

That is the reason I would like to see some kind of approach adopted that would try to merge the unemployment insurance program with the local Employment Assistance Program—which is a wonderful program—the Local Initiatives Program, the Canada Assistance Plan and even some DREE agreements. There is a DREE agreement in my constituency—a FRED agreement. We are initiating discussions to renew it under the present development agreement. Really, we are dealing with social adjustment and not only economic development. It has been proven now that industrialization is not the only answer to economic development. We will have to look at other things.

I should like to say briefly that I cannot agree with those on the opposite side, both Progressive Conservatives and members of the New Democratic Party, who say it is a terrible thing to change the threshold of 4 per cent unemployment to a given average of unemployment in the previons eight years. To me, it does not make very much difference when one considers that contributions are tax deductible and that some people who pay income tax into the consolidated revenue fund have no relationship at all to employment. I refer to retired people and people with savings who pay income tax.

People, particularly members of the New Democratic Party, raise the fundamental problem of the employer and the worker contributing to the program, versus the consolidated or general revenue of the government. When one balances this argument, I do not see that it matters. One could take the position that the unemployment insurance program is primarily for workers and employers, and that probably they should pay for the administration of the program in order to receive benefits under it.

I can see, on the other hand, having the threshold, the principle we introduced in 1971, because there is a degree of incentive on the general economy and the government to try to lower unemployment. I have listened very carefully to the debate, all the arguments made by members of the New Democratic Party and some from the official opposition, but I am not convinced that this is a serious problem. I can live with that part of the bill.

I repeat, I regret that in starting our review of the Unemployment Insurance Act we have to hurt some people. I know the minister to be a reasonable and flexible man. I hope he has listened to and appreciated the concern of members from all sides of the House, on two questions particularly. One is the reduction of the age of eligibility from 70 to 65 and the other concerns doing away with the special allocation to claimants who are dependents. I sincerely hope the minister will see fit to accept amendments in the committee or in the House when the bill comes back here.

● (1540)

In conclusion, I would like to say that I am one of those who is not very impressed with some of the arguments we hear, particularly from some members of the official opposition. We are lucky there are members from the Atlantic provinces in that party, as well as from other regions, who—probably for regional reasons, if one can call them that, because their constituents are mainly people of low income, working people—bring some reason to the debate. I have been concerned since 1971, and was in the 1972 campaign—the same arguments are being advanced again now, probably because of events coming up in February in the Conservative party—that the unemployment insurance program is a mess and that it will cost $3.6 billion compared to the many hundreds of millions of dollars which it cost before 1971.

I should like to say first of all to people who put forward this cost argument—the Leader of the Opposition (Mr. Stanfield) was one of those who advanced this argument last week in another debate—that they are not completely honest because they are comparing apples with oranges. The fact is that we are not dealing with the same program at all. Before 1971 there was no provision for sickness in the unemployment insurance program, no provision for maternity benefits, and the income tax was not recoverable. So we are not talking about $3.6 billion. Even if the amount is high—I have said this before in the House—I do not know why people become so upset when governments intervene in society and in the economy. I am surprised, because those who argue against government spending, against social subsidies—unemployment insurance is one

of them—are the very people who benefit from higher technology and higher productivity brought about through these various adjustment programs. They are the very same people, from the same regions and the same sectors of this society.

I have heard people from the Canadian Chamber of Commerce, the Canadian Manufacturers' Association and the business community complain in private about the terrible unemployment insurance program which is costing so much money and which, in their words, is a disincentive to work. In fact, they are the people who need this program, because without good social and economic adjustment programs, which really the Unemployment Insurance Act is, there would be reluctance from communities and from provincial and municipal governments to change. There would also be reluctance from workers and labour unions to technological change.

I have given examples previously of projects which have gone ahead which are in the long-term interest of the nation or of a particular region, but which in the process of increasing productivity and technological advancement have required the dislocation of people. When you dislocate people, you need some kind of adjustment program. The people who benefit from higher productivity and technology have to pay for those who are dislocated—and who will do that, if not the government?

Therefore, it seems to me that the search to be more competitive in the world, more technologically advanced and more productive, is compatible with high government spending on social intervention programs, because without these programs there would be reluctance from the different segments of society. Unless people who advance these arguments want to suggest that we adopt a kind of system that would force people to do things and ignores pressures in society against change, I cannot see that they are serious.

With regard to this program being a disincentive to work, I do not believe that in today's society we can say that generally speaking the unemployment insurance program is a disincentive to work. I admit that there are abuses of the program. I have seen cases of such abuses and I deplore them, but I say that with good administration and a human approach we can deal with these problems. Before concluding I would like to make one point, namely, that the unemployment insurance program is not the only government program where abuses exist. There are abuses in any public program, abuses of the income tax system and of other programs, so this is not the only program in which abuses exist.

With regard to the argument that it is bad to have working people off work for a certain period of time, let me point out that working people are not the only people off work for part of the year. I know of people in the professions, people from the business world who spend two or three months a year in Florida or in California. They are not very productive there. If they can earn enough in six or nine months to be able to go elsewhere for the rest of the year, or if they can play golf half the time in the summer, then I am happy for them. What is the difference if it is the working people who are doing this? The only difference is that if the working people do this, if they are off the job and are not being productive for a certain part of the year, the only recourse for them is a public program.

I would not like to hear anyone argue that the working people or people who are unemployed are the only ones who are not productive the year round. Other people in society are not productive the year round, and I am not suggesting that they should be. Some people can earn a very high income for six or nine months of the year and then be off for the other three months. If some people, because of the geography of this country, because of their particular region, the nature of the economy in that region or the nature of the industry where they work, happen to be unemployed for part of the year, I do not see why it is worse than having people from other classes in society take off for part of the year.

I will watch very closely what goes on in committee with this bill, and I will watch very closely what happens in the House when it comes back here. I have mentioned that there are two provisions I cannot support, but I will not vote against the second reading motion because I believe the bill should go forward, having, as it does, some good provisions in it. As I said a short while ago, unless these two provisions are changed I will find it very difficult to support the bill. But I will see what developments take place in committee. I have been in the House for seven or eight years; that is long enough to know that one should not become concerned about the future before it comes around. We will cross those bridges when we come to them.

I hope the minister will seriously consider my suggestions. I suggest to him, again, that a parliamentary committee should receive a reference from the House to study the whole spectrum of social and economic adjustment programs in order to see how the programs in place are functioning. He has spoken about the harmonization of our social programs. I believe that either a joint committee or a House committee should receive a reference from the House to study this whole problem before the minister proceeds with a second review of the unemployment insurance program, because this act is a crucial element of our social security programs and it also has implications in respect of economic adjustment, not only social adjustment.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, like others in the House, I welcome the opportunity to express my views on Bill C-69 and the Unemployment Insurance Commission which, after all, is an institution with which all of us as parliamentarians have had many dealings. It is, therefore, with great pleasure that I take this opportunity to speak on it because I believe a discussion in the House on this subject is long overdue. Happily, the Unemployment Insurance Commission has managed to serve a need in difficult times, and for this we can all be grateful. However, because of its structure under existing law it has also created new sets of mores and attitudes, many of which I find rather frightening.

There are frightening financial implications as well. Let us consider the figures for the 30 years between 1940 and 1970. Unemployment costs for those years were something of the order of $6 billion, whereas in the last four years the cost of financing this institution, or unemployment costs, were of the order of $10 billion. In other words, 30 years, $6 billion; 5 years, $10 billion. The Unemployment Insurance

Commission is a controversial institution, and therefore this debate is most welcome. Of course, I shall only be able to address myself to certain elements but I hope that in the course of this debate and in committee some of these matters may be resolved.

● (1550)

There is no question in my mind that even in its present form the Unemployment Insurance Commission serves a need, because we can all recognize that we have a regrettably high degree of unemployment, and for those who are unable to find employment the commission offers temporary financial assistance for qualified workers. Unfortunately, sometimes it also offers assistance of more than a temporary nature for workers who may be qualified but who are unwilling to rejoin the labour force. This assistance is offered on such a scale that the disincentive to rejoin the labour force can become extraordinarily high. I say this for good reason. Despite the high rate of unemployment there are many opportunities for work in this country. This is still a country of opportunity.

Figures are not easily come by, but I did manage to find some. In a period of high unemployment the Victoria, British Columbia, Canada Manpower office was indicating, on a long roll of paper, that there were 1,132 vacancies in the area. This was in June of 1973. I do not have comparable figures for people receiving unemployment insurance benefits. This was a chance release in the newspaper. These were not all specialized jobs; the list comprised skilled and unskilled jobs, marine draughtsmen, psychiatric nurses, medical technologists, legal stenographers, secretaries, accountants, bookkeepers, automatic transmission specialists, and bricklayers. Even when people are on unemployment insurance benefits there are many jobs available, and this is an aspect which I find a little frightening. I shall be returning to this point and seeking ways to overcome this shortcoming of the present organization.

In this context, I welcome the statements and thoughts expressed by my hon. friend opposite, the hon. member for Gloucester (Mr. Breau), who said that he would like to see a study of all the social security programs or, as he calls them, the social adjustment programs, to see if out of it cannot be made an amalgam. However, I shall be returning to this matter before the end of my comments. I leave it to others in this debate—some have already done so; some, no doubt, will turn to it again—to underline the financial consequences to our society of having to face the monumental cost of financing the operations of the commission.

I have mentioned the scale of those costs. There are provisions in the amendments to reduce, at least to some extent, the charges which will fall upon the Canadian public. These operations, however, have consequences other than the financial ones, having equally frightening effects on the social fabric of our nation such as destroying or at least wearing down the urge to work, which was denied by the previous speaker but which I insist does exist. By wearing down the urge to work and to retain one's independence of action, we accept slavery and dependence on the state for all our being's needs, wants and fulfilment. That sterile prospect is too frightening to contemplate. We must stop that trend before it overwhelms us.

I am led to make these comments because indisputably there are a large number of unfilled jobs in this country at a time when there is rising unemployment. The phenomenon cannot be explained in any other way. Those who are out of work either do not want to fill the jobs available, or are perhaps refusing to seek retraining which would prepare them to do so, because of the comfortable haven offered by unemployment insurance benefits. If this practice continues unabated it can lead to social bankruptcy and economic disaster.

This automatically brings us to the role the Manpower offices play in restoring this matter to equilibrium. On good authority I have been informed that one Manpower officer has tossed out, without too much show of concern, the fact that in the 17 years he has been employed at a Manpower centre—presumably to find employment for others and safely employ himself—he has not placed a single person in a job. In the sharpest and cruellest light, this comment underlines one great defect in the unemployment picture in Canada today: the failure of the unemployment offices and Manpower centres to work as one service—first, to take care of those in financial need and, second, to meet the employment need. It should be one service. In various locations in cities which I know there is rivalry between the two services. Refusal to accept an employment offer or a reasonable offer of retraining—and they can be equated—ought to be a cause to have the individual concerned removed from the insurance rolls.

Contrary to what has been said by some whom I have thought to be reliable spokesmen, the unemployment insurance system in Canada is not, I insist, one of the means by which the wealth of the nation is to be more equally distributed. To my way of thinking, that is not the purpose of unemployment insurance. If that is what the law is doing, then the law must be changed. An unemployment insurance fund should be an insurance fund to insure against the financial consequences of economic adversity which any one of us can meet. We should all be prepared to say, "There, but for the grace of God, go I." The insurance fund is there to help those of us who are in need; it is not for the redistribution of the wealth of this country. It is called an insurance fund and that is the role it should play, not any other.

I should like to get into a little more of the philosophy which ought to motivate the commission in its handling of a serious socioeconomic problem. I may do so, if time permits, at the conclusion of my other comments. Incidentally, I seem to have forgotten to look at the time I started my speech and I shall therefore rely on the Chair to remind me when my time begins to expire.

I should like to discuss the criteria for entitlement, such as total family income. I should like, also, to deal with seasonal workers, as well as with long time employment as deserving special consideration under the act. However, I shall have to leave these considerations to others, since my time is limited.

● (1600)

My principal concern today is the deleterious effect on Canada as a whole of the deterioration of the work ethic which unemployment insurance benefits promote or foster. It is a very fine point whether they promote or foster it; in

any event, they do nothing to halt it. I want to put forward some notion about how the whole process could be reversed so that the very existence of unemployment insurance benefits would prompt people to spend less time drawing benefits.

In this connection, I was delighted last evening to hear my friend and colleague, the hon. member for Cumberland-Colchester North (Mr. Coates), explain his views about combining certain features of the social security system. I have already mentioned that I welcomed the comments of the hon. member for Gloucester who immediately preceded me in this debate. It is my desire to see several features of our social security system and our social adjustment programs brought together, but first I think it is worth recording a bit of history.

As long ago as 1948-49, the Progressive Conservative party developed a multifaceted scheme of social security. This involved a consolidation or a combination of schemes then in existence or on the horizon. Today, as we see the variety of schemes designed for the security of the citizens working out their fate, we think the time has come—as the hon. member for Gloucester said—to revive that consolidated program or something like it. Its implementation would remove the tremendous financial burden under which federal budgets now labour in meeting the high cost of unemployment. But equally important, its implication would restore that vigorous independence that so distinctively marked an earlier generation of Canadians.

Earlier this year, in a report entitled "Canadian Work Values" issued by the Department of Manpower and Immigration, we find the following comment:

> Clearly, Canadians are committed to work ... Canadians see themselves as industrious people to whom work contributes a feeling of success and, for a large proportion, of personal fulfilment.

This "motherhood" statement was obviously verbalized in order to provide comfort and gratification to those who feel that in the Manpower section of the department, at least, they have a sense of personal fulfilment. That sort of self-adulation and self-congratulation is dangerous, Mr. Speaker. It leads to complacency and that is something we can do without at any time in our lives, but at this time particularly.

If only I could convince myself that all Canadians and all draft-dodging immigrants, if I may bring them into the picture, merited that form of compliment, I would be happy. But we must consider that a good number of the LIP grant applicants dream up their projects with two objectives in mind:—to get in on some of the fresh bread that is lying around, and to build up some credit, saying to themselves, "Let's hope we can keep the projects stalled for at least eight weeks," which would entitle them to unemployment insurance benefits after their LIP bread is used up. When I consider this, I question the smugness of such self-comforting phrases as those contained in the report.

Of course, many of our farmers, independent businessmen and other working Canadians are committed to work; they are not committed to unemployment insurance. But far too many other Canadians are, and many of them are proud of it. I do not like to hear people boasting about being able to get on to the unemployment insurance rolls

[Mr. Munro (Esquimalt-Saanich).]

and I do not suppose anyone in this House does. This is where a great deal of danger lies, and we must overcome it.

If I could return to the consolidated scheme advanced by my party some 30 years ago, I should like to explain some of its features and the solutions it would provide to the problems I have been discussing. The proposal was based on the following schemes then more or less in operation or in contemplation: the unemployment insurance scheme, a hospitalization plan, a medicare plan and the old age pension scheme. There was an accident program thrown in for good measure, but I think we will just deal with those four.

The philosophy underlying this consolidated program was based on the notion that these four schemes could be united under one single scheme, with a single contribution for each Canadian, and placed on an actuarial footing. It was also based on the observable fact, a fact that could be proven statistically, that the generality of Canadians seldom or never, in normal circumstances, have cause to rely on unemployment insurance benefits, are seldom, or for very short periods only, obliged to go into hospital, and only a bit more frequently have to come under the medicare plan. A good many Canadians are healthy people and do not have to call on these plans but contribute to them gladly.

It is surprising, when one looks back on one's own life, just how little one has needed these services. I count myself lucky, fortunate perhaps, and I do not in the least mind paying my insurance premiums because it is comforting to know that the service is there if it should ever be needed. Unemployment, hospitalization and doctor's care were the main schemes. The actuarial tables, based on reliable statistics at that time, demonstrated that a normal healthy Canadian, making his contribution throughout his working life to this consolidated scheme and looking forward to an old age pension—at that time, munificently set at $100 a month—because he had not called on the unemployment insurance scheme, the hospital scheme or medicare to any great extent, would find his old age pension increased by about $150. This comes back to the age 65 limit that was being put on it. If a man was paying all his life to age 65 and not drawing benefits during those years, why should he not get them at that age?

Mr. MacFarlane: He is a work-dodger at that age.

Mr. Munro (Esquimalt-Saanich): You try finding work at that age. The underlying theory is that to the extent that there was no call on the services available, their end of work pension or old age pension will be increased. When this was first explained to me, it was quite a new concept. I am surprised that parliament did not get down to it earlier. I do not know what happened. I think perhaps 1961-62 came along and the Liberal government decided that anything devised by the Conservatives was not worth considering. But it is there, Mr. Speaker; it is a sensible program and it would meet some of the problems now before us. It would get people off unemployment insurance and out looking for a job simply because at the end of their life they would enjoy those benefits. They would want to work in order to enjoy those benefits later. This is the great extractor of the disincentive that is causing so much concern, and has caused so much concern, to this government.

The consolidated scheme was found to be actuarially sound in 1949 when it was devised by a professor from the University of British Columbia. It was updated and found to be sound in the 1959-60 era by the government of the right hon. member for Prince Albert (Mr. Diefenbaker). It would obviously take a number of years to put into place the machinery for establishing such a comprehensive program today. It could be done. As I say, however, the scheme is there and it is an answer to the work disincentive.

● (1610)

The unemployment insurance program must not become another welfare program. I have said it before and it cannot be too frequently or too forcefully said. It is an insurance program, as are the hospital insurance and medical insurance schemes. Canadians can be prudent. They want to look after their own needs in these areas and will do so much more satisfactorily, and at less cost to other taxpayers, if provided with the right kind of program and the right kind of leadership which, regrettably, we lack today. I submit that the consolidated program briefly outlined is just such a program. It remains to be seen whether this government will respond to the call of the hon. member for Gloucester and other hon. members to look into the possibility of improving not only the unemployment insurance program but the other social programs available to Canadians.

There are some elements in this bill which are commendable. However, it is a patchwork exercise. In parts, it is even offensive. It leaves aside those who have reached the age of 65, denying them an entitlement to draw unemployment insurance benefits which they might otherwise have had. The amendments put forward here merely paste over cracks. The worst feature is the debilitating effect that an even more inefficient Manpower or job-creation scheme is having on Canadian society. Something much more fundamental is needed than this bill provides. At the very least, the unemployment and job-creation aspects of government programs must be brought more closely together. Better still, we should get some hint that the whole welfare scheme will be overhauled along the lines I have suggested. Until that is done we are in grave danger of social disaster, with the working majority carrying throughout their working lives the non-working minority. The Canadian public is thoroughly fed up with piggy-backing in this way.

We may be hewers of wood and drawers of water, but we will not willingly become draught animals as well, drawing after us a small but ever-growing group of people who have latched on to a good thing, a scheme which offers them greater financial return than they are prepared to look for in the labour market. It is obviously not possible to shift the Unemployment Insurance Commission into this area of reform within the terms of the present bill. I should like to leave my comments on that for a moment. There is one particular case that I feel is worth recounting for the record, in the hope that it will be remedied by different rulings than those which have prevailed.

We have all had experience with the Unemployment Insurance Commission. We have all had constituents come to us with their problems, their disentitlements, their being cut off benefits, and their failure to qualify. Even if our debating time were not now restricted there would be insufficient time for each of us to document all of these problems. There is one, however, I wish to speak about.

The circumstances in this case were that the worker delayed her application for benefits until the exact period of her absence could be accurately determined. She was expecting a baby and wanted to receive the maternity benefits. She might, within her rights, have applied earlier but she did not. This proved her downfall because before she did file her application the municipal employees, of whom she was one, were locked out as a result of the activity of other workers. She was not directly involved in the negotiating argument that led to the lock-out, but once locked out she was considered as though she were on strike and, in consequence, not eligible for benefits.

I insist that this was a miscarriage of justice, a faulty judgment on the part of the official. I referred it to the minister and received some specious replies. Surely, some distinction ought to be made between a person who is disqualified on account of being on strike and a person who is disqualified because, through no fault of her own, she is unable to report for work. The doors were locked; she could not get in the front door. Why should she be disentitled? The doors were locked against her because others had threatened to go on strike and the lock-out occurred.

In summary, I have managed to mention the disincentives inherent in the unemployment insurance system as it now stands. I look for improvements. I have mentioned the need for closer integration between the Unemployment Insurance Commission and the Manpower centres. I managed, within my time, to cite one instance that has really bothered me. It has been the basis for a good many exchanges with the minister. I hope it will be settled, even retroactively. I know that I can count on a sympathetic hearing.

Mr. Chas. L. Caccia (Davenport): Madam Speaker, it is fascinating to follow this debate. Some hon. members have complained that the act and its application are too lenient, that it lends itself to so-called abuses and should be tightened up either administratively or by law. Others approached it on the basis of their own experience and the requirements of the people they represent, asking that it be made more generous and that it take into consideration factors that at present the law does not. Some members have tried to be on both sides of the fence in the same speech, arguing on either side. I suppose that is human nature. In an effort to find a better answer, everyone approaches it in what they think is the best possible way. However, surely it would help if there was a certain degree of consistency. The question is, what do we want this act to be? Do we want it to be an insurance scheme, as proposed by the hon. member for Esquimalt-Saanich (Mr. Munro), or do we want it to be an income support scheme?

Those of us who were in this House in 1971 will remember the debates at that time. We knew then, as we know today, that we were about to introduce a system of income support, not a system of insurance but a social program—not just a businessman's program, as some Tory spokesmen would like it to be. Not all of them are in agreement, I am sure. I imagine that a few minutes from now the hon. member for Cape Breton-The Sydneys (Mr. Muir), who

represents an industrial riding, will speak strongly in favour of the approach we have adopted, namely, and income support approach, because this is a good sheme, a good law.

● (1620)

Let us not try to make law by legislating with an eye only to abuses. If we, as legislators, were to do that we would be acting as administrators, losing sight of the general approach, a philosophy toward social legislation. We could then become civil servants administering the act and, surely, we ought not to be performing the second role; that is not our task.

Like other legislation, the bill before us today has good features, bad features and technical features. The trouble with this legislation is that it contains some very bad features. First, though, I will deal briefly with the good ones. There is a proposal for an amendment making sponsors of LIP of LEAP projects eligible for coverage. There is a provision allowing claimants to terminate their claims should they wish to do so; at present the law does not permit them to do so. There is a proposal for an extension of the period during which sickness benefits will be paid. The period is 29 weeks at present and it is be extended to 39 weeks.

There is to be an extension of the period during which uninsurable earnings may be counted for entitlement to benefit, from the present 52 weeks to 104 weeks. This amendment probably stems from proposals made in various private bills brought forward in the House from time to time during the past few years. Injured workers, ex-inmates of prisons and persons handicapped because of illness will benefit from this measure.

I commend the minister for having incorporated in the bill propositions which have been advanced by members from both sides of the House in the past three years. Further, it is made clear that a worker who receives workmen's compensation payments is entitled to receive benefits. As the wording presently reads, he is not entitled to do so even though he might receive compensation for one day only. The law is to be clarified to permit a person in receipt of workmen's compensation to receive benefits from unemployment insurance for parts of a week.

We are also asked to approve a measure to increase premiums paid by employers and employees. This was a responsible decision made necessary by the requirements of the program itself. I support it, as I am sure most hon. members do.

I shall not deal with the technical features of the bill. Instead, I shall consider briefly the bad features, the ones which seem, to me, to be of a negative character. There is a proposal in the legislation to reduce the present special benefit rate of 75 per cent paid to unemployed people with dependants to a level of 66 percent of their normal earnings. The consequence, I suppose, will be that in the rural or poorer areas of Canada where there is a high and constant level of unemployment, people so affected will be obliged to turn for help to provincial and municipal welfare arrangements. The onus will be shifted to other levels of government, though in the end, I suppose, it will still be a federal responsibility, indirectly, if payments are made through the Canada Assistance Plan to which we contribute to the extent of 50 per cent. It seems to me that this measure is not a good one; it will hit particularly hard the areas I have mentioned and it will hurt people whose level of income is already amoung the lowest. I would ask the minister to reconsider this proposal when the bill is before the committee.

Another bad feature has to do with the treatment of workers aged 65 and over. Take the case of men and women in our society who marry late in their lives, in their fifties, form families and are deeply interested in gainful employment for the maintenance of their families when they reach age 65 or over. If the proposed amendment is carried, we shall be treating workers aged 65 and over in a manner different from that in which we treat workers younger than 65. We shall be saying to them: You have old age security coming to you, and that should be adequate to cover your needs, whether you become unemployed or not.

Madam Speaker, we do not put forward that argument when we consider the treatment of widows and widowers below the age of 65 who receive a pension under the Canada Pension Plan and who wish to be active in the labour force. Yet we apply this type of reasoning to people aged 65 and over. I believe that in a system such as ours—undoubtedly one of the best in the world—there should be no obstacle in the way of a man or a woman who wishes to remain in the labour force, no matter what the age might be. If this premise were accepted, it would follow that entitlement under the unemployment insurance system should be the same for them as for others. There should be consistency. The drawing of a line at a certain age is completely artificial and is most frustrating to elderly people who wish to remain productive members of our society. It introduces a double standard of treatment which I do not think is a good idea.

● (1630)

I should like to move on to another aspect that I discussed in this House at the time of the budget. It has to do with the proposed amendment to the act that would impose a double disqualification on workers dismissed for misconduct. I ask the House, who is going to define the word "misconduct"? Will it be the employer? Will it be the unemployment insurance official? Or will it be the board of referees? It is true that when the minister spoke last week we were assured there is ample jurisprudence on the question of misconduct. Nevertheless, how are we going to apply and administer a law with a definition of "misconduct" that is so broad, that is so much left in the hands of those who will have to interpret the legislation? Surely, in the eyes of a worker "misconduct" means something quite different from what it means to an employer. What may be an offence to an employer may, in the eyes of a worker, be an insignificant pattern of behaviour.

One needs only to speak to people engaged in an assembly line operation, say, in the automotive industry, people who work under considerable tension and strain, to discover that their pattern of behaviour may be quite difficult to understand from the point of view of management. At times, such behaviour could be interpreted as misconduct. But who is to decide on a worker fired for misconduct? I regret to say that I find this proposed amendment to be one that treats workers like school children. It is like the state entering the work place and trying

to determine who is behaving well and who is not. I am not saying we are going too far; I am saying that this is an area we should not even touch.

It seems to me that these three areas do not require amendment. Where we do need amendment is, first of all, in shifting the emphasis from unemployment to employment. I should like to give the House an example that occurred in the great city of Toronto from which I come, which was reported by Wilfred List in the *Globe and Mail* a couple of weeks ago. The headline of his article is "29 zoo workers ignore layoff, want to work for UIC benefits". Stated simply, 29 employees of the metro zoo expressed their intention to carry out their regular duties and be ready for work for unemployment insurance benefits of $100 a week, to which they would normally be entitled. This arose out of a decision by the Toronto Zoological Society to lay off 49 employees.

Mr. Patrick O'Keeffe, the representative of CUPE to which the zoo workers belonged, sent a telegram to the minister on behalf of the workers. In the telegram he asked that the workers be paid unemployment insurance while they continued to do necessary work at the zoo without salary. The relevant question is this, as asked by Mr. O'Keeffe: "If they are going to give them $100 a week for idling, why not for voluntary, necessary labour?" This is why I say we need amendments that shift the emphasis from unemployment to employment, amendments that would permit using unemployment insurance funds to design and to create jobs.

Secondly, we need amendments that will shift the emphasis from inactivity to training. To some extent we have already done this. The minister has initiated some interesting examples of this on a small scale in Newfoundland. Unemployed workers there were given, in addition to their regular Manpower allowance, a UIC allowance, to top it all, while in training. We need amendments to apply this approach to the whole country and make it possible for those who become unemployed but who wish to work and upgrade themselves to utilize the period they are unemployed constructively and purposefully both with regard to the present and the future.

Thirdly, we need amendments of a day to day nature, particularly in our large cities, which will permit people no longer unemployed to deal with the commission. For example, the office should be open evenings so that a person who has found employment can settle a claim. People should be able to telephone the commission in the daytime and get through to the officer in charge of their claim, which is not possible now in Toronto—and, I suspect, in other cities too—so as to clean up their case by telephone instead of being required to attend at the office personally.

Lastly, we should extend into the evening hours the hearings of the board of referees. Why should the operations of the commission be oriented to the convenience of the commission? Why cannot operations be oriented to the convenience of the users, particularly those users who, through their own efforts or with the help of government services, have managed to become employed again? Surely there is a recognition there that is due to people who have managed to re-enter the labour force. I would not be surprised if a few years from now there are amendments to the act to permit the use of unemployment insurance funds for constructing low-cost housing in this country. After all, why not? There are several billions of dollars yearly in the fund. At certain times this substantial source of capital could be used for specific projects.

In essence, Madam Speaker, I have tried to outline this afternoon a series of amendments that we need and which would allow the commission to perform a positive role. I do not subscribe to the theory that the workers abuse the plan. Most Canadians would work if given the chance. This is what they tell us every weekend when we return to our ridings. When we look at what happened in Canada last year and at what happened this year, the pattern that emerges is clearly visible beyond the scope of Bill C-69 which we are now debating. The financial capital is there; it is provided by working Canadians. It amounts to a substantial sum every year. We have the human resources—those people willing to work and who would much rather work than be idle.

● (1640)

The question, then is, when will the political will be there, because surely we can do better than just insure the unemployed or introduce punitive measures some of which are contained in Bill C-69? The system as it is now, as the hon. member for Gloucester (Mr. Breau) said some time ago, can be tightened through better administration. However, the law, the spirit of the unemployment insurance program and the direction that was taken by this parliament in 1971 are sound and require support, particularly in times of high unemployment and difficult economic conditions.

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, I, too, welcome the opportunity to say a few words about Bill C-69 which is a bill to bring forward certain amendments to the Unemployment Insurance Act. I listened with interest to comments by Liberal and Conservative members during this debate, and I was reminded of the description or explanation of what makes a Liberal politician unique, namely, that he is double-jointed and has the ability to sit on the fence and keep his ear to the ground at the same time. The only difference between that and Conservative members is that they are able to stay on both sides of the fence at the same time.

When I listened to criticisms of the bill by certain Liberal members, I wondered how they would vote when this bill came up for third reading. They cannot have their cake and eat it too. If they see, as many of us do in the NDP, that some of these amendments are unfair and will impose undue hardship on the working people, then let them stand up and be counted.

The purpose of the Unemployment Insurance Act is one which I think takes a few minutes to review but is worth reviewing. This act is a response to the problems of unemployment that have plagued Canadian workers for generation after generation. There was the option of leaving it to the soup kitchens and the charitable organizations to provide the destitute unemployed with some means of sustenance, or the belated recognition, mainly due to pressure by the CCF, the forerunner of this party, that in a democratic country the democratically elected government had a certain social obligation to its citizens and a special obligation to the worker who through no fault of his own

was thrown on the unemployment rolls. So this act is a social insurance act in that sense. It does provide some minimal income for those who have no other recourse because of the fluctuations of the capitalistic economy in which they work; it does provide financial support for the unemployed worker and his family until he finds new employment.

At the same time, it at least keeps the economy going because it puts purchasing dollars into the hands of the unemployed person so he can buy the necessary consumer goods to keep body and soul together, and in the process keeps manufacturers manufacturing and other workers employed. Let us not forget the necessity and the beneficial aspect of unemployment insurance in that sense. It is not just a hand-out to the individual unemployed person; it is a means of keeping a slowed down economy moving until, hopefully, it comes out of a recession or whatever economic downturn may happen to exist at the time.

Another point that should be remembered is that the unemployment insurance scheme retains for companies and for businessmen a trained working force which has been temporarily laid off. This is a point that is often overlooked. With unemployment insurance those unemployed workers, many of whom are skilled, will continue to reside in the community until there is an upswing; therefore the employer has the benefit of drawing on that pool of skilled labour. If we did not have this program, many of these people would be forced to pull up roots and travel to other parts of the country in the hope of finding a job. So it is a benefit to the employer in that sense as well.

My experience with the local unemployment insurance office in the constituency of Sault Ste. Marie has on the whole been good. I find the staff there quite co-operative. However, the staff is hindered by a multitude of very complicated regulations in the Unemployment Insurance Act. There are times when I feel the unemployed workers are unduly and unfairly victimized because of the complexities of the regulations and the fact that their rights as workers have not been fully explained to them.

I could go through many cases of people who have signed written statements presented to them by UIC officers without fully realizing the implications of signing, and finding to their chagrin at a later time that they had removed the option of appeal and other avenues because they did not fully realize the limitations of the regulations. This is something we cannot legislate; it has to be a policy decision; it has to be a directive from the minister to the local offices to put the regulations and the operation of the act into plain language so the local staffs understand and can interpret them in a plain, forthright manner to the unemployed in order that they are not victimized by the legal jargon and complicated technicalities found in the act.

We have before us today a number of amendments, most of which we in the NDP oppose on the basis that they place an undue financial burden on the unemployed. Our most fundamental objection to this bill is in respect of the change in concept respecting what unemployment insurance is all about. When this plan was set up, there was a built-in incentive for the government to try to reduce unemployment in this country. When the plan was set up, there were to be contributions from employee and employer toward funding the unemployment insurance program. This was to take effect as long as unemployment did not go above 4 per cent of the labour force. If unemployment went above 4 per cent, then the government would supplement the program with money from the consolidated revenue fund. So there was a built-in incentive at that point for the government to keep unemployment down, because if it did not it would have to make up the deficit with tax dollars.

The change we have before us will remove that 4 per cent unemployment ceiling. That move, in itself, is an admission by this Liberal government that unemployment has increased beyond its control and that the government's economic policies have not brought down the unemployment rate in this country but have exacerbated it.

A few years ago the Prime Minister (Mr. Trudeau) was boasting that he would be quite willing to hold tough in his government's battle against inflation by deliberately creating unemployment, and if the rate reached 6 per cent he would be prepared to accept that. Of course, it has gone beyond that now, being in the neighbourhood of 7 per cent, and it might go even higher this winter. So what we have is an admission by this government that its employment policies have failed and that the unemployment situation is worse and will become worse still. I dare say that with this government's wage control policy, people will have less money to spend, there will be less demand and, hence, more unemployment.

The government has now brought in an amendment to let the ceiling on unemployment rise from 4 per cent to 5.8 per cent before it will supplement the plan. That means, quite obviously, that the weekly unemployment insurance premiums for workers and for employers will have to rise accordingly. In effect, by this amendment the government is introducing a regressive tax, not in the sense of an attempt to combat unemployment but a regressive tax only to make up a growing deficit in the fund. Therefore, working people and small businessmen especially will have to pay more from their already diminishing incomes because of the government's inability to control inflation in this country and the government's claim that workers' premiums will rise from the current $1.40 per $100 of earnings to $1.60 or $1.70 per $100 of earnings.

● (1650)

We have made calculations which show that the increase will be around $1.96 for each $100 on income earned because of the projected higher unemployment the country will face this coming winter and the years ahead. Therefore, since the average weekly wage in this country is about $200, the cost of unemployment insurance premiums will not be $2.80 per week, as the government claims, but it will more likely be $3.40 a week, or $176 a year. This is an added expense, an added burden, placed on workers today at the time when the government very cynically brings in a wage control policy that will limit increases in workers' demands to some 10 per cent.

Working Canadians who have seen their wages eroded by inflation escalating at a rate of 11 per cent or 12 per cent over each of the past three years now find their wages controlled by 10 per cent, while at the same time the government slaps a tax on the average worker in respect of the unemployment insurance fund amounting to some $176

a year. If that is not regressive and unfair, I do not know what is. We oppose this amendment because of that unfairness and because the government has really given up and does not have any built-in incentive to reduce the unemployment rate.

As unemployment rises, all the government has to do is increase the premiums workers and businessmen have to pay; therefore, the government gets around having to supplement the deficit. In other words, we have the sad state of affairs in which the government has accepted high unemployment as normal. Gone are the days when we were horrified at an unemployment rate of 3 per cent or 4 per cent. Now the government seems to be saying that an unemployment rate of around 5 per cent or 6 per cent is normal and we will have to live with it.

In a country with the resources we have, not only natural but human in terms of skilled workers, that is a sad state of affairs and an admission by this Liberal government that it is bankrupt of ideas with regard to getting the economy stimulated and getting people back to work. Therefore, we will vote against this amendment and oppose it as strongly as we can.

There is another amendment which we find equally reprehensible. I refer to the amendment which would raise the disqualification period for workers who quit their jobs. The plan is to raise the disqualification period from three weeks to six weeks. We must remember, of course, that there is a two-week waiting period in addition. This will mean that the worker who quits his job or is fired will have an eight-week waiting period before he can claim unemployment insurance benefits.

The figures brought forward to justify this change are very interesting. The minister says that the annual rate of those leaving employment is 250,000 workers. I must remind hon. members that this is out of a work force of some 10 million people in this country. That places it in perspective. The annual rate of those who refuse suitable employment out of this work force of 10 million people is only 21,000 workers, or two-tenths of 1 per cent.

Why do people quit their jobs? The reason, I believe, the minister is bringing in this legislation is that he thinks these people are slack, they want to quit, they are not serious about work and want to take advantage of the program. I would like to see statistics to back this up. I am confident the minister could not produce such statistics. When we look at the reasons people leave their employment, we find that in the great majority of cases they have legitimate, valid reasons. For example, the pay may be too low. If an employee has been trying to get a raise over a period of months, and comes up against a stone wall where the employer refuses to give him a raise, and if this employee knows he is worth more than he is receiving, he should have the option to quit and look for another job.

By this amendment, such a person could be frozen into a job classification. This is discriminatory and unfair. It reminds us of the labour practices of the seventeenth century. There could be cases where the employer takes advantage of the worker. We can document many cases where employers have made, shall we say, passes at female employees. That is reprehensible. There are cases involving employers who have demanded that their employees work overtime without pay, or who have demanded that the employees perform certain jobs which are not classified as part of the regular employment.

Sometimes employers expect employees to perform personal favours for them, and so on. In those circumstances, I would say the employee who quits has a legitimate reason and therefore should have the option of quitting and not being disqualified from unemployment insurance. There are other reasons. Many workers have to quit because of health and working conditions. Near Sault Ste. Marie there is the community of Elliot Lake where the uranimum mines have caused many miners to come down with lung cancer due to silicosis. Would one deny a worker in such circumstances the opportunity to quit his job and receive unemployment insurance benefits?

So, of the 21,000 people who quit and refuse jobs, statistics show that in many cases the reasons are quite legitimate. Therefore, they should not be penalized in the way in which this amendment would penalize them by causing a longer waiting period. I think we should make it very clear that many people who find themselves in the position of having to quit are non-unionized workers. I might remind hon. members that only 33 per cent of the workers in this country belong to labour unions. The unorganized people in the low-paying jobs do not have any kind of bargaining power or back-up to protect their rights. It is they who are victimized by bad working conditions and low pay, and in many cases they have no choice but to quit or be fired if they want to improve their conditions. I must say this amendment is unfair because it discriminates against the unorganized workers in our society.

● (1700)

There is another amendment to the Unemployment Insurance Act with which we also disagree. I cannot for the life of me see how this amendment which is to end the payment of benefits at age 65 will save the government very much money or prevent any kind of real abuse. Currently, unemployment insurance coverage ends at the age of 70 or earlier when a retirement pension becomes payable. What is so unfair about this amendment is, first of all, that those currently between age 65 and age 69 who are working and are insured under the unemployment insurance plan will be automatically cut off from any kind of benefits as a result of this amendment. There is not even the option of a phase-out period for people who in good faith and because of circumstances which have made it impossible for them to retire at 65 have had to stay in the labour force. They will be cut off from benefits in one fell swoop. As I mentioned earlier, those who want to work to the age of 70 at least will no longer have that option once the amendment is passed.

The argument presented by the Liberals for introducing this amendment is that they have taken care of people in their senior years by increasing the old age pension. I must remind them, of course, that that was during the term of a minority government when we forced them to do so. But they say they have increased pensions under the Canada Pension Plan and thus are taking care of people in that age bracket. I would like the minister to try to survive on an old age pension, on some of the Canada Pension Plan payments that retired workers are receiving in my constituency.

I have a horrendous problem in Sault Ste. Marie of zero vacancy rates in apartments. We do not have enough senior citizens' units, and these people are confronted daily with rate increases as well as rising costs of food and medicine. Many of them must continue to work beyond the age of 65. This government will remove that option from them and will remove protection through the Unemployment Insurance Act. I think it is most reprehensible when people who have contributed so much to the growth of our economy through their hard work, and have contributed by paying their premiums into the unemployment insurance scheme, suddenly at the age of 65 find themselves cut off from benefits and are unable to continue working with the security of unemployment insurance protecting them.

I think this government, despite all its claims about how it is interested in and wants to help senior citizens, shows its true spirit, through this amendment, in its attitude toward our older working people. Despite the groans from the Liberal backbenchers, I am sure they know that what I am saying is true because the older people in their constituencies have experienced it.

We also find another example of the niggardliness of this government in these times of high inflation. They have an amendment to reduce the payment to dependants of unemployed workers. Presently, the payments are 75 per cent of insurable earnings for lower paid claimants with dependants. The government is now introducing an amendment which will bring that payment down to 66⅔ per cent for precisely the people who are on low incomes and who are finding it so hard to survive in these days of inflation. On the other hand, if they become unemployed they will be penalized even further by the reduced rate of benefit as a result of this amendment. We say that this is unfair in principle. To try to argue that it will save the government a few dollars does not make sense. One has to take into account the human misery that will be caused to low income people who are unemployed. I agree with my colleagues that this provision should be withdrawn. We will argue that matter in committee.

There are a couple of points in the bill with which my colleagues and I are in agreement. We are not totally negative on the amendments. We are in agreement with the amendment which will extend the qualifying for benefit period. At present, the period in which all claimants may calculate their weeks of insured earnings to qualify for benefit is limited to 52 weeks. Under the proposed change, the qualifying period would be extended to a maximum of 104 weeks for special types of claimants. I am glad the minister has responded to the representations made by opposition members and has recognized that certain people need special consideration; for example, people who are on training courses for 52 weeks and cannot qualify for unemployment insurance premiums because they have not been working in the standard sense of the term in that 52-week period. So we see this move as a progressive step and will support it, as we will the amendments to provide for flexibility in the sickness benefit provisions under the plan.

I do not want to dwell on that matter in detail. Other of my colleagues will do that. I want to reiterate a simple and valid point, namely, that the bulk of the amendments brought forward by the Liberal government will really force working people to pay for high unemployment caused by the poor and misguided economic policies of this government. This government is giving up the fight on unemployment. It will make the workingman and the businessman in Canada carry the burden of high unemployment by increasing their employment insurance premiums. To add insult to injury, at the time when they are bringing forth these punitive and regressive amendments, this government is bringing in an anti-inflation policy that will control the workers' wages and limit their increases to 10 per cent, in the longer run creating higher unemployment which will reduce consumer spending, causing manufacturing industries to face a slump and lay off workers.

I think this government's legislation to amend the Unemployment Insurance Act is misguided and mistimed. I urge all hon. members to stand up and be counted in committee and on third reading and to vote against these unfortunate and regressive amendments which the minister is proposing in the bill.

[Mr. Symes.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Canadian Pacific Railway—Layoff of employees at Winnipeg—Government action; the hon. member for Winnipeg North (Mr. Orlikow)—Canadian Pacific Railway—Alleged scrapping of freight cars—Request for investigation; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—Olympic Games—Limitation of construction contracts to Quebec companies—Government action to eliminate discrimination.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, in my brief contribution to this interesting debate I want to suggest that one of the more positive and forthright suggestions in the June 23 budget of the former minister of

finance was that basic changes would be proposed in the operation of the Unemployment Insurance Commission. The minister pointed out that these changes were necessary for two basic and fundamental reasons: first, UIC costs to the government were becoming unwieldy and, second, the present Unemployment Insurance Act contains, and I quote, "some features which . . . have undesirable effects on work incentives."

● (1710)

Bill C-69, of course, is the instrument of the government to try to face up to our current UIC situation as indicated in the budget of last June. Various amendments are long overdue when we consider that the 1975 UIC pay-out will be approximately $4 billion, while the equivalent pay-out for similar uses in the United States for the year 1973 was about the same dollar figure. That is a most interesting comparison. Further, after three years' experience in my own constituency, the most frequent complaint I receive about UIC is that it is a disincentive to our time-honoured work ethic or, put more bluntly, it is a government institution which very often pays a person not to work.

I wish to begin by making a few comments relating to those three years of personal experience in the Medicine Hat federal constituency. First, however, I should point out that in a letter, the Minister of Manpower and Immigration (Mr. Andras) indicated on August 29, 1975, that we in Medicine Hat had an unemployment rate of only 3.23 per cent, well below the 5 per cent start level for LIP projects, thereby establishing my constituency as eligible only for the minimum allocation of $100,000 for LIP financing. On this very day, by local estimates, my home city of Medicine Hat has some 480 unemployed persons and some 450 available jobs. I suppose it is a situation which could be construed as a negative unemployment rate.

Over these three years of operation of my constituency office, this UIC subject is still the topic brought to my attention most frequently, by a wide margin. The following are a few of the inequities which continue to come to my attention through my constituency office. There is a situation in smaller rural towns which precludes a worker from becoming eligible for benefits unless he moves to a different area to continue his job search routine. There is another situation where a husband is moved to a smaller area; his wife gives up her job to move with him and then runs into trouble establishing eligibility for benefits when she gives up that job.

The requirement of 20 insured weeks to qualify for sickness or pregnancy benefits can involve hardships which bear no relation to regular claims, which require only eight insured weeks with a much longer benefit period possible. There is an instance of a woman having a heart attack after 18 weeks and being unable to qualify for UIC benefits because she did not have the required 20 weeks of insured work. Again, in the case of sickness benefits, the regulation calling for a two-week waiting period after application is not clearly understood by many of those who apply, neither is the implication of a sickness claim which is only valid over the initial 15 weeks.

Overpayments are a continuing and often embarrassing source of annoyance. Surely some procedural improvement is possible here instead of the lame excuse of computer errors. These tempting overpayments invite illegal action by younger recipients and cause extreme frustration and annoyance to elderly people. The job search routine, especially during winter months, seems to present special frustrations to elderly workers which lead to misunderstanding and sometimes hardship.

I mention these specific experiences from my constituency office in order more fully to support the statement that in my opinion almost every UIC problem brought to my attention is a personal and private one to which it is difficult to apply the UIC regulations and difficult to categorize. It seems to me that some form of means test could be instituted to respond more completely to these personal and private situations to which I have referred. I do not suggest that this means test be applied to all UIC claims, only that it be an optional procedure which could very well be of great assistance to the board of referees.

I shall now make some brief comments on the bill itself. I fully support the proposal to increase the disqualification period from three to six weeks for those who quit, are fired or refuse suitable employment. I have heard some representations that this disqualification period should be extended even more. The decision of the government to raise the break-even benchmark for self-financing from 4 per cent unemployment to a moving eight-year unemployment average is a clear indication to me that this government has given up on our persistent and seemingly ever-increasing unemployment problem. It is an inward-looking, passive and unimaginative attitude which surely is not acceptable.

While it is true that the increased premiums to be shared by employers and employees, plus the added costs due to this increased benchmark for self-financing, will amount to a considerable saving to the government, it is really an added cost or tax of considerable magnitude to all employers and employees. The cost is still there, and as the press has already pointed out, this change in UIC financing could reach an additional total for 1976 from $800 million to $1 billion, more than double the recent ten-cent gasoline excise tax total.

Mr. Andras: Totally inaccurate.

Mr. Hargrave: This averages $89 or more per year for all Canadians who work for pay cheques. I wish to associate myself with my colleagues comments which suggest serious consideration should be given to moving the entire UIC policy back to the true insurance concept instead of the welfare mixture now offered, which is such an invitation to open abuse.

UIC policy should, surely, relate directly and be an incentive to an extended and continuing period in the work force. I have to admit to strong support for the call of the Canadian Manufacturers' Association for a 20-week eligibility period. Such an incentive could easily be provided by reducing premium rates which vary directly with the length of service with a given employer and ultimately providing for paid-up insurance after long service with very few or limited benefit claims. I should also like to add my further support for the excellent suggestion that Manpower and UIC should work much more closely together, with the eventual merging of the two. I am sure there

would be financial savings and a vast improvement in operation and efficiency of both agencies.

Before concluding, I should like to return to my earlier remarks which were based on my constituency experiences. It seems to me that a very useful and practical suggestion would be to make available at UIC offices a short, concise and abbreviated set of instructions to be followed in applying for UIC benefits. They would have to be concise. Finally, certain UIC officials should be encouraged to make occasional personal visits to the homes of UIC applicants who are genuinely concerned about developments that have caused real hardship over UIC claim decisions.

● (1720)

Mr. Robert Muir (Cape Breton-The Sydneys): Madam Speaker, I appreciate the opportunity to say a few words on Bill C-69. I should like to say to the minister that any mild criticisms I may have are certainly not directed to him personally. In any portfolio this minister has held I have always been able to talk to him and receive his co-operation.

Some hon. Members: Hear, hear!

Mr. Muir: That is a lesson that could be learned by some other cabinet ministers. At no time have I ever brought a problem to his attention when he did not try to help.

Mr. Benjamin: But that didn't help.

Mr. Muir: In many cases it did help. I listened to the hon. member for Timmins (Mr. Roy) who raised the question of abuses. This has been referred to by other speakers. One point he did raise referred to clause 11 and the claiming procedure for sickness benefits which can be undertaken during the first 25 weeks on claim rather than the first 15 weeks. That is a step in the right direction. Unfortunately, I cannot say the same thing about all the proposed amendments.

The hon. member for St. Catharines (Mr. Parent) raised a very good point. There is a popular misconception in this country that people like to go on unemployment insurance for 52 weeks, but the hon. member pointed out that the average for an individual on benefits is 16 weeks. He also said that the amendment referring to those people over 65 years of age would be understood by them. I do not think it will, Madam Speaker.

The hon. member for Halton (Mr. Philbrook) also referred to abuses. He said this amendment would reduce the payments by the government. That is true; it loads them right on to the workingman and the businessman. He also referred to the amendment correcting abuses and said it rationalizes the plan. That is a vague statement. It rationalizes the plan to the extent that it unloads responsibility from the government on to workingmen and women.

Yesterday, the hon. member for Spadina (Mr. Stollery) said he had heard nothing but contradictions from the opposition. I suppose in a democratic parliament one is liable to hear these opinions. Everyone has a right to express his viewpoint. The greatest contradiction of all occurred some months ago when the Prime Minister (Mr. Trudeau) and his supporters said that a restraint policy or

[Mr. Hargrave.]

a freeze would not work. Now they say it will and that the Canadian people have been overspending. So there is quite a change there. Of course, it has put the load on the back of the working people again: wages will be restricted, but not prices.

My colleague, the hon. member for Esquimalt-Saanich (Mr. Munro), referred to unfilled jobs. I wish he would ship some of them down to the east coast.

Some hon. Members: Hear, hear!

Mr. Muir: He mentioned such highly skilled positions as psychiatric assistants and technological people. That does not mean much to a man who works in the coal mine. He cannot take a position as a psychiatric assistant, but on second thought maybe he would know a lot more than the psychiatrist. The hon. member also said that officials at the Manpower centres were not too co-operative. I have been dealing with Manpower centres and Unemployment Insurance Commission offices over the years, Madam Chairman, and have received the greatest co-operation at all times. The officials have worked very hard. Mind you, we give them plenty of bother as there seems to be so much confusion in the regional offices, particularly the Moncton office. It is always blamed on the computer, but it is only as good as the information put into it. I hope someone will look at the Moncton office, because many people have difficulty making ends meet while waiting weeks for their benefits.

The hon. member for Regina-Lake Centre (Mr. Benjamin) raised the question of board of referees and said the chairman of the board of referees decides whether an applicant can appeal to the umpire. That is most unusual. I have had correspondence with a Mr. Guy Cousineau for a number of weeks concerning a Mr. Pickup. In a letter dated September 9, Mr. Cousineau wrote:

> In Mr. Pickup's case, it was determined that his interruption of earnings occurred as a direct result of a labour dispute and a suspension from benefits was imposed, under the act, from the outset of his claim. It was indicated that while the electricians employed by Magna Electric and Computers Limited were not interested in and were not financing the dispute, they respected the picket line of the striking union and were, therefore, considered to be participating in the labour dispute.

He certainly was not participating. He was unable to go to work. The company could not work because the other trades were on strike. I wrote Mr. Cousineau again on the question of why the chairman of the board of referees would have such great power. He had sat on the case already, and he made the decision as to whether it could go any further. That was most unfair. If he had said it could go to the umpire he would really have been saying he had been wrong in the beginning. In the same letter, Mr. Cousineau wrote:

> The unemployment insurance legislation provides that an employee who ceases to work by reason of a stoppage of work, attributable to a labour dispute, is not entitled to benefit for the duration of the stoppage of work, unless he can establish that he is not participating, financing or directly interested in the dispute—

The workingman I am speaking of was not participating, was not financing and was not directly interested. However, he never got his money. I hope this might be discussed and gone into a little further. I repeat that I agree with the hon. member for Regina-Lake Centre on that point.

• (1730)

There is one other matter I would like to mention, the question of having to indicate to the Unemployment Insurance Commission that you have searched for a job in four or five places. As far as I am concerned the official employment agency in Canada is Canada Manpower. It is supposed to have its finger on the pulse of industry, knowing every place that workers may be needed. If they cannot find employment how can they expect an individual to find it?

An individual must apply for work at four or five different places. If there are no jobs available he must ask for a letter saying that he has applied. In an area like mine it is absolutely ridiculous. You can wear out your feet looking for a job. You just cannot find one. I wish I were in the enviable position of some hon. members who referred to their areas having too many job vacancies.

In any given area there is a percentage of people who will not work. Even if you take them in your arms and place them in a job, they will not work. However, that is not the case in my area. We have a rate of unemployment of between 25 and 30 per cent. If there are 5 or 8 per cent who will not work when there is full employment, that still is no excuse for those for whom jobs are not provided.

Before leaving the comments of different members I want to say that I agree with much of what was said by the hon. member for Regina-Lake Centre. But the rest was pure socialist drivel, particularly when he said "Of course if we were a civilized democratically planned Christian socialist society, there would be no need for unemployment insurance." That is the same phoney drivel we always get from the socialist party. They say that the hard-hearted Liberals, hard-hearted Conservatives, and hard-hearted Social Credit members do not have a bit of feeling for the working people or for anyone who has a problem. It is only they, wrapped in their cloak, who would be presumptuous enough to say they originated Christianity. That is going a bit far.

Mr. Leggatt: Stanley was in at the beginning.

Mr. Muir: There may be a few misplaced clergymen in their party, but that does not make them any more Christian than any other party in this House. I just wanted the hon. member for Regina-Lake Centre to know how I feel about his comment.

Mr. Benjamin: I appreciate it.

Mr. Muir: When the hon. member for Esquimalt-Saanich was speaking about draft dodgers, the hon. member for Hamilton Mountain (Mr. MacFarlane) made an interjection to the effect that those aged 65 and over were work dodgers, or words to that effect.

An hon. Member: He did not say work dodgers, he said work makers.

Mr. Muir: Are you the hon. member for Hamilton Mountain?

An hon. Member: No, but I would like to be.

Mr. Muir: It was the inflated member for Hamilton Mountain who made the interjection. It is a pretty sad commentary on those 65 and over who have contributed to this country for a lifetime. Many of those over 65 are still working. They certainly should not be referred to as work dodgers. That is a bit serious to make that kind of remark.

Bill C-69 is nothing more than a government rip off against the people of this nation to whom the government pledged it would give the greatest possible protection. It more and more produces evidence that Liberal times are hard times. The workers of this nation will pay the bill for the government's almost unbelievable incompetence and ineptitude in managing the economy of the country.

The government created unemployment just a few short years ago. It said that that was the answer. We were told that by creating unemployment it would remedy the economy of the country. It got on a downhill slide. It is now having to take more and more money from the working men and women of this country to pay for the problem it has created.

We have moved from an unemployment insurance scheme that was actuarially sound and only in trouble in times of deep recession to one that has become an added tax on most of the work force and most businesses. While the workingman and the businessman have to pay the bill they have little to say about the size of that bill. Most derive absolutely no benefit from the tax they pay.

Since 1968 the government with its Trudeaucrats has completely obliterated the image meticulously developed that Liberals, and only Liberals, are the competent managers of the economy. They like to blast the Diefenbaker administration every chance they get. However, those who examine the performance of that administration yearn for that administration that year after year produced a rate of inflation of less than 1 per cent. What is the rate of inflation at this time? The Diefenbaker administration scored triumph after triumph in developing our increased gross national product, while at the same time finding jobs for the many thousands who entered the work force. Since this minister is also in charge of immigration, he will remember the situation in Europe in 1956 when several hundred thousand hit the labour market of this country.

The government goes to any length to transfer its major miscalculations to others. No group of Canadians, including the poor and the aged, are exempt from its mad dash to eliminate the responsibility for its mistakes.

It is hard to believe that Bill C-69 clearly sets out that those 65 years of age and over will not receive benefits under the amended UIC legislation. It clearly discriminates against them. What an achievement, laying it on the backs of the older people of this country.

Approximately 5,000 Canadians will either be forced out of the work force or find it difficult to continue working. This is being done for a miserly saving of $3 million. The taxpayers' contribution to bolster the fund to meet the demand of claimants runs from $1,750 million to $2 billion, depending on how high the rate of inflation goes.

This legislation says to the working men and women who have trouble keeping pace with skyrocketing inflation that it will be made more severe, or that their pay cheques will be that much thinner as a result of this added tax or

higher contribution. They are also told that inflation will be promoted by higher costs for the products they will purchase in the market place. The businessman will have to go to the same market place to recover the same payments he must make to the fund. And those sums are not to be sneezed at—they are expected to be in the area of $800 million to $1 billion next year, amounting to an average extra tax on every person paying into the fund equal to some $89 yearly.

● (1740)

Mr. Andras: Completely inaccurate.

Mr. Muir: Well, the minister will have his opportunity to speak when he takes part in the debate later on. If the unemployment bench mark moves from the present 4 per cent to 5.3 per cent, it is expected the breakdown will be something like $443 million from employers and $317 million from workers; it could well be more if the unemployment rate jumps above the present 7.2 per cent to 8 per cent or higher.

Also, it is nothing short of rank discrimination against the worker to tell him he will face a six weeks disqualification if he quits his job. That amounts to a month and a half plus the two-week waiting period, after which he has to face the delays and the letters couched in legalese, involved language, and bureacratic jargon. That is one of the points I should like to comment on. For Heaven's sake let them get down to using normal language in these letters they send out to claimants instead of language which even lawyers sometimes fail to understand.

The minister would be doing a good service to the working people of Canada if he would instruct his staff to get down to earth and put the statements contained in their letters and documents into language people can understand. However, I was talking about the delay occasioned by long delays in payments. Not many workers can accept an attack on their limited savings for six or eight weeks.

Then again there can be many reasons for leaving employment. I appreciate, of course, that there should be investigations associated with such cases, but I believe each case should be treated individually and action taken on individual cases as warranted. The amendment put forward smacks of total discrimination against the worker and places a valuable weapon in the hand of the employer. Some hon. members may ask why. Well, I still have my little card from the National Employment Service; I am not as old as the hon. member for Winnipeg North Centre (Mr. Knowles), but I do have the card. I was among the lucky ones; fortunately, I never had to draw unemployment insurance benefits, unlike millions of other Canadians.

When investigations and so on are in progress, a weapon is immediately put into the hands of employers. I have run into a number of employers across the country who have said to people in their work force, "Either do this, or that, or you are not with us any more". The task indicated might be altogether apart from the work the man is supposed to do. As I say, there can be many reasons which compel a man to leave his job. This is an area which should be carefully analyzed and each case should be judged on its merits.

[Mr. Muir.]

I wish to say a few words now about abuses. It is a favourite topic. Like every other member of the House I do not condone abuses of the unemployment insurance fund and I favour every step being taken to eliminate the blood suckers. I state definitely that I will support every effort by the minister to prevent abuses of the fund, because the more abuses there are the harder it is for those with legitimate claims to get their claims recognized. Abuse creates suspicion in the minds of those who work within the Unemployment Insurance Commission. They are apt to approach claims with the attitude that the claimant is probably just another character trying to get money which is not really due to him. As a result the applicant with a legitimate case is screened carefully, and settlement of his claim is likely to be delayed as well.

Sometimes we can overdo this concern about abuses. As the hon. member for St. Catharines said, everyone seems to think that once a worker's claim to benefit is allowed he remains in receipt of benefit for 50 weeks or 52 weeks. That is not correct. The average period is 16 weeks. And often, because of some bureaucratic difficulty about which an innocent claimant is not aware, payments come to an end.

I represent an area which, unfortunately, has consistently returned an unemployment rate running two or three times the national average. Unemployment insurance benefits are absolutely essential in order to maintain the work force during periods of trouble which never seem to cease to plague the area. We also have a great many older citizens within the work force, and because of the continuing high rate of unemployment and the inability of workers to move from one job to another—simply because the opportunities are not there, unlike the situation in other parts of the nation—the legislation before us is bound to discriminate against older members of the work force and place employers in a position to threaten the work force with the weapon of six weeks' disqualification.

Yesterday the hon. member for Cumberland-Colchester North (Mr. Coates) made a suggestion which I believe to be worthy of consideration. In the course of his remarks he said:

> We should have a scheme whereby those who work and never draw benefits but pay into the fund day after day, year in and year out, would be able to receive some benefit in a realistic way at the end of their working careers. If they work continually and contribute to the fund they should derive some benefit for the contributions they have made over a lifetime.

I am not an actuarial expert; in fact I am not an expert in anything, but I think something along these lines could be worked out and I commend the suggestion to the minister. There are many millions of people who contribute to the fund week after week and year after year without drawing benefit, and possibly a certain proportion of the fund could be set aside for such a purpose as my hon. friend proposed. At the end of their working lives they would receive a payment in some form, taking into consideration the size of the amount which had been taken from the fund. The amount would be based on the record. Such a scheme might discourage people from drawing a benefit needlessly; they might well look ahead and say. "The time may come when I shall need some extra help when I choose to retire."

Let us consider some of the reaction to this bill. This is from the *Gazette* of June 28, 1975, and the writer is Don McGillivray, a financial analyst:

> The change in unemployent insurance financing faces Canadian employees and employers with an additional tax burden at least twice as heavy as the extra tax on gasoline . . . this extra payroll tax under the new formula may reach $800 million to $1 billion next year. The new tax load will amount to an average of $89 or more a year on the wages and salaries of all Canadians who work for a pay check.

Then there are the comments of Joe Morris, President of the C.L.C., in a press release on July 21. He said of the proposal that:

● (1750)

> Low income workers chiefly will bear the burden of longer penalty periods, elimination of benefit for workers age 65 and other money saving provisions . . . It appears that the government seeks to slowly but surely reduce the social security protection now afforded Canadians by the social legislation it has taken the trade union movement and kindred groups so many years to establish.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but his time has now expired.

[*Translation*]

Mr. Armand Caouette (Villeneuve): Madam Speaker, I am pleased to take part in this debate on Bill C-69, an Act to amend the Unemployment Insurance Act, 1971. This amending legislation introduces a new class of insurable employment.

Any member that will listen to his constituents will know that unemployment, or at least the lack of steady revenue, is a continuing concern and a day-to-day problem with thousands of Canadians.

Unemployment figures published monthly by Statistics Canada make the headlines each time there is an increase. Surveys show unemployment is always the most urgent and dramatic problem in the people's mind.

Amendments made by the government to the Unemployment Insurance Act, either to add to or delete from classes of claimants are but useless patchwork, not to say harmful patchwork. The way the government amends the act, it would appear that by changing drivers it believes its jalopy will become a Cadillac. The engine is worn out, all four tires are flat, the suspension is finished, the transmission whines, but the government seems to think that by changing drivers, everything will be better.

Bill C-69 is the latest of a series. The government realizes the unemployment insurance program is inadequate, but rather than bringing the scheme on a sounder and more logical foundation, it introduces minor amendments that do nothing to meet the real needs and expectations of Canadians.

Before discussing one by one the amendments proposed in Bill C-69, it is essential in my view to note that the minister and the government as a whole do not understand the meaning and the nature of the unemployment problem now facing Canada. This lack of understanding of the actual causes of unemployment explains why this government is bringing in such a ridiculous legislation as Bill C-69.

The first distinction the government seems unable to make is the one between "unemployed" and "without income". The government has always made known its wish to achieve full employment. Not so long ago, the Prime Minister (Mr. Trudeau) made quite a radical statement saying that if the government had the power to do what it pleases, it could put an end to unemployment by compelling workers to go where jobs are available.

If you apply this principle a little further, you end up with hard labour camps in the Arctic, which would not fail to please the Prime Minister who expressed all his admiration during his trip to Soviet Union for developments in Siberia.

We know that the work there has been done by millions of people sentenced to hard labour by the Moscow dictatorship. The basic principle guiding the government in the face of unemployment is to seek full employment. A job for everyone is the priority of this government. However, the real unemployment problem, the real tragedy of millions of unemployed Canadians is not to be without a job, but to be without a regular income.

Let us consider the unemployed. What is their problem? They do not have any money. They cannot buy the bread and butter needed to feed their family. They cannot buy the clothing and all the items required to keep their family warm and secure. It is always a matter of money. Even this government which would have us believe that the individual problem of unemployment can be solved through full employment. It is recognized that the real problem of the unemployed is primarily one of income. In fact, when it came to taking action against unemployment, the government established unemployment insurance benefits to provide an income to those without any.

It is then obvious that what is considered as an unemployment insurance problem is actually an income problem. Even if the government made a step forward by recognizing, maybe unknowingly, that the jobless must have an income, the efforts in this field are still based on the false principle that full employment or the fact of giving a job to everyone is the final solution to the unemployment problem.

Brought to its logical conclusion, that principle would disregard all technical progress which resulted in the elimination of some occupations. Power shovels would be replaced by labourers with pick and shovel. Farm tractors would be replaced by horses. Finally, a man will be substituted for a horse since it would take a job from another man.

With this foolish rule, we will soon return to the prehistoric age when a man did everything manually. This is the conclusion, Madam Speaker, to which leads full employment. A machine can do in ten minutes the work and production of 1,000 men. Now, Madam Speaker, what remains to be done? Destroy that machine and make a man work very hard. Madam Speaker, may I say that it is six o'clock?

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Caouette (Villeneuve): Mr. Speaker, as I was saying just before recess at six o'clock: Is it logical? Is it clever? And yet, it stems from the principle of full employment. For years, the Social Credit Party has been advocating a guaranteed minimum income. The important thing, is to put into the hands of the people an income that will enable them to buy the products available in Canada. When 1,000 workers are laid-off because technology and progress dictate that they should be replaced by one machine that will do their work ten times faster, what are we to do? Destroy the machine on account of the absurd principle of full employment, because it deprives 1,000 men of their work, or distribute to these workers replaced by the machine the income derived from the use of a more efficient and more profitable means of production?

Because the government advocates full employment rather than efficiency and productivity, thousands of Canadians are kept in useless jobs. Instead of giving them their share of the machine-made production, machines are scrapped and men put to work needlessly. An unemployment rate of 7 to 8 per cent means that the entire production can be made available 92 per cent of the available manpower.

Dr. Richard Belman, an American specialist of production methods stated that the entire present production could be obtained with 2 per cent of the present manpower. In other words, the products we now have could be available with a 98 per cent rate of unemployment. This could be made possible if the government was not fighting technological progress and advances.

Of course, Mr. Speaker, the problem to be solved is how to distribute to all those removed from the production process an income that will allow them to benefit from the abundance of products available to them thanks to automation. That is the challenge we have to meet now in Canada. The government should stop listening to such stupid economists who say: Better employ people at digging ditches they will fill afterwards, than not employing them at all.

Mr. Speaker, the government should rather listen to the solutions proposed by Social Crediters and free Canadians from the tasks machines can do in their place. In a coherent system, the machine must be at the service of man, not man at the service of the machine. To the extent that they make it possible to distribute to the unemployed an income which enables them to buy the many products available, unemployment insurance benefits are acceptable and desirable. Unfortunately, the Unemployment Insurance Act, like the amendments discussed today for that matter, is too often only a means of placing workers in the power of the government and civil servants. Mr. Speaker, in 1973, no fewer than 92,871 Canadians were disqualified from unemployment insurance benefits under Unemployment Insurance Act regulation 145 alone, because an almighty civil servant considered that they had not sought employment actively enough.

[The Acting Speaker (Mrs. Morin).]

● (2010)

In 1974 the number of disentitlements was over 93,000. This is only one example and we could give many more. Thus, the provision of Bill C-69 now under study which will double the penalty for an individual who voluntarily quits his job is just another measure which does not consider the particular situation of each individual. And what shall we say about the fact that Bill C-69 takes away from people aged 65 their rights to benefits? It is an unacceptable measure and I would be tempted to support the hon. member who suggested to the Minister of Manpower and Immigration (Mr. Andras) who had proved his openmindedness by proposing at least five amendments aiming at significantly improving the Unemployment Insurance Act, that he should consider the possibility of giving workers aged 65 or over the opportunity to express their desire to withdraw from the unemployment insurance plan, to receive the three weeks' benefits provided for in the government's bill and to allow all those who wish to continue working to pay premiums, which means accepting all responsibilities and obligations stemming from the plan.

That being said, Mr. Speaker, I think it would be logical for the minister to move this amendment to the legislation. The government has no right to say to people of 65 or over: "Go away from the labour market, we have no more room for you." The UIC cases submitted to us by our constituents can be counted by the hundreds within a month. The root cause of the problem is an administrative decision or the interpretation of a nebulous regulation by officials who suffer from delusions of grandeur. Sometimes, Mr. Speaker, one has to go all the way up to the department to get justice and have the mistakes corrected.

By the way, I would like to thank the minister for the cases I submitted to him and which have been settled to the advantage of the claimants. Last May 5 I submitted to the minister five cases which the Unemployment Insurance Commission office of my riding could not settle and the minister really proved to be very helpful to us. But I have to point out that a more logical and realistic system would probably put an end to all those problems which are extremely annoying for the members of the four parties in the House.

That is why I believe that the government should listen to the suggestions made by Socred members and should consider a thorough reform not only of the unemployment insurance plan but also of the whole economic system. If the government, instead of trying to achieve full employment by eliminating the abundance that would result from a greater productivity thanks to an improved technology, would give to the people the financial means and the purchasing power required to buy the available production, the problem of unemployment insurance would be completely solved. With the machine, people would gradually free themselves of manual jobs and they could develop more and more and improve the country through creative and rewarding activities. Some people believe that a system based on the distribution of a national dividend to all individuals depending on the available production would be a disincentive to work.

As the Social Credit leader said: Show me only one lazy millionnaire. It means that the individual who has the

income he needs will automatically be hard working instead of being lazy. Social Credit would not discourage private enterprise as does the present system. Unlike the present system, Social Credit would not compel the individual who draws benefits to stay at home and decline work offers. In a Social Credit system, the individual would receive his national dividend and would be encouraged to add this amount to his salary.

Social Credit proposes a modern system taking into account technical progress and human nature. The individual benefits from technical progress through national dividends and is encouraged to add this amount to anything he can earn through personal initiative. And being paid to everyone this dividend will be fair to all Canadians. That is the Social Credit alternative!

I ask this government now that we are studying Bill C-69 concerning unemployment insurance to review its position and the basic principles upon which its obsolete unemployment insurance system lays. I am sure it is also the wish of all Canadians who believe in the future of their country.

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I think it is quite interesting to take part in this debate, not to advocate revolutionary solutions, nor to attack an opposition far more bent on criticizing the bill than finding out advantages for the population, but simply, Mr. Speaker, to remind hon. members that the philosophy underlying unemployment insurance is sometimes misunterstood. Unfortunately, in too many circles that legislation is misinterpreted. I am not contending that opposition members are the only ones responsible for those misinterpretations, and I, as a government member, take my share of the blame for the view, prevalent among the public, that unemployment insurance is a form of social assistance.

Mr. Speaker, I think it is time for politicians to assume a minimum of responsibilities and tell people frankly why we introduced and passed that act. To some people, especially claimants, it is too stringent a legislation. Those who draw unemployment insurance benefits claim, sometimes rightly, that the waiting period before they can be paid benefits is too long.

● (2020)

Several mentioned it, my friends in the opposition pointed it out, and sometimes rightly so. It is normal that the person who applies to the UIC should not have to wait too long before getting the money he needs most of the time to secure his right to live. And I deplore that on many occasions the system set up does not achieve the normal objectives that the people have a right to expect. I wonder, Mr. Speaker, whether behind that bureacracy, those electronic machines probably designed to improve the legislation, did not accomplish exactly the opposite in certain quarters.

An hon. Member: That is also true.

Mr. Marceau: I think we should gradually come back to a more human approach towards the claimant who, after all, finds himself in an extremely difficult situation, through his fault or not, whether he quit his job voluntarily or was laid off because no job was available for him. Mr. Speaker, I think it is important to try and find within our system, which theoretically is excellent, some means to improve it and make it more effective. May I be allowed to make a suggestion to hon. members. I had the opportunity this afternoon to discuss with the manager of my local UIC office. He told me that they made an experiment in our area. They sent to 100 persons chosen at random notices informing them that they would no longer be getting their unemployment insurance benefits, without giving them the reason for that decision. Out of the 100 persons who received that notice only 50 answered and objected and asked for an explanation. Then they were simply told, very well, you can have your unemployment insurance back.

This seems to show that the mail delivery system for cheques seems to be used by several claimants to receive benefits that do not belong to them. I come to the conclusion, and the manager agrees with me, that it would be a good thing to revert to the system under which the claimant must come and collect his cheque. Of course, this requires a measure of decentralization, opening offices closer to the people so that they would not have to cover long distances to collect their cheques. But I think this would make the act more effective and ensure that those who come to collect their cheques are entitled to them. And I make that suggestion in a constructive way. I do not want to find fault with the public in general nor with the claimants, but it seems to me that here we have a problem which could be solved by reaching two objectives: making the law more humane and perhaps avoiding greater expenses, since this is one of the goals we are aiming at with the legislation we brought in and with the amendments we are putting before the House.

Mr. Speaker, I was saying that the unemployment insurance concept, as people understand it, was warped in certain quarters.

Mr. Speaker, I think I should recall that unemployment insurance is an insurance, as the name says. It is temporary insurance made available to those who are on the labour market but cannot immediately find employment.

I think I was repeating what every hon. member could say when I said that some people come to us and insist that they paid unemployment insurance for months and for years and that they have a right to get benefits as long as provided by the act. Mr. Speaker, I think it is time we emphasize in no uncertain terms that unemployment insurance is a right of recipients, but in given circumstances.

The first condition to be met by the claimant is what my friend opposite, the hon. member for Villeneuve (Mr. Caouette) did not seem to take into account when he spoke about people who had been excluded because they did not take the necessary steps. Mr. Speaker, it is elementary!

A few months or a few years ago, you only had to stop working, stay home, complete a form and wait for your cheque for a certain number of weeks, most often, the maximum number provided, as though it was due to you.

Mr. Speaker, I believe it is absolutely essential and moreover normal to ask the claimant not only to register with the manpower office, but also to look for a job.

Obviously, people must exercise some judgment and common sense in looking for a job. It is impossible to ask the claimant to go personally to prospective employers dozens of times every week, but he must make an effort, he

is not required to find a job, but only to cooperate in looking for work and to show, by his availability and his efforts, that he is interested in finding a job.

Mr. Speaker, I would like to touch on an extremely sensitive aspect of this legislation, a point about which many members have expressed their views. I believe that it is my duty to try to explain my opinion about the provision which, if passed, would prevent people aged 65 from receiving unemployment insurance benefits.

Mr. Speaker, I believe that those who say that we do not respect people who are retired distort the meaning of this legislation. It is precisely because we have consideration and respect for people who are 65 that we are passing this legislation.

Mr. Speaker, we believe that a 65 year old citizen who has worked for society deserves to be no longer in the obligation of working hard to earn his living and support himself and his family. We believe that he has reached an age where he deserves certain benefits from society which will allow him to live comfortably without having to earn a living.

I think, Mr. Speaker, that it is normal to say to an individual who has reached age 65: "You can obtain the old age security pension, the supplement as well as your superannuation fund or an annuity. You can even work if you wish." There is every kind of opportunity and assistance for people who are 65 years old.

Mr. Speaker, I do not suggest that those measures are perfect, that they are sufficient and enable the 65 year-olds to live in wealth and affluence. No, I do not say so. But I feel there are some who play politics by saying to those people: "Through that legislation the government wants to harm you and does not understand your problems." That is not responsible nor honest. I think it is essential to say to those people: "The Unemployment Insurance Act is a legislation meant to protect the worker." It is designed for the worker just as the old age security pension is not paid to those who are 45, 50 or 62; we pay it to people of 65. It would be abnormal to give people of 65 years and over the same benefits available to those under 65. In fact, Mr. Speaker, I am sure that the people over 65 would understand this bill if someone explained it to them frankly and made it clear to them that it is intended to do away with the confusion which exists in this act at the present time and to help those who are now on the labour market and are temporarily unable to find a job. It may happen that a person will pay premiums all his or her life without ever collecting unemployment insurance benefits, but he or she should rejoice for having had the courage, the luck and the good fortune of working and earning a living without living off the State.

● (2030)

With this in mind, Mr. Speaker, I feel it is possible in all fairness and honesty to understand that the purpose of this bill is to put unemployment insurance back in its true perspective. I even wonder at times if we did not go a little too far in this legislation by trying to accommodate, to please everyone, to the extent where it has lost its real purpose, that of helping those who are temporarily out of work. I say it again, we do not aim at depriving other needy citizens of what other forms of assistance may be at their disposal. But the fact remains, and I am convinced of this, Mr. Speaker, that the amendments proposed, in addition to achieving real savings, tie in with the objectives the act should achieve, to make it easier for those who are entitled to benefits to get them while preventing those who try to take undue advantage of the act from doing so through appropriate penalties.

To my mind, Mr. Speaker, this bill does not meet with the approval of all categories of citizens since it affects some of them.

This legislation is the expression of a minister's feelings in an attempt to put some order in a measure that had gone beyond its objectives and had lost a little of its orientation. We are returning to a legislation that seems to me more just, more honest.

I hope hon. members will understand that since I represent a working class, I am in a position to understand the meaning of the statement I am making this evening, the importance it can have among my constituents. But I believe I am honest enough to express it very sincerely so that they will know that if I accept to vote in favour of this measure it is because I believe it will help the worker, because he is the one who pays for it, he is the one who has the right to request the government to find ways to reduce unemployment insurance costs. Often the worker says: the laws enacted by the government are not helping us. I feel this is a law that will help the worker. Clearly, there will be an extra cost but the savings made thanks to the proposed amendments may show we are going in the right direction.

To conclude, I would urge those of my constituents that might read these remarks to cooperate with us in trying to find those who rip off the program. Too often, people call our constituency offices and state they know of people receiving benefits unduly. But when asked for names, they will not say because "they wish no harm to anybody". I hope people will understand that in so doing, they would help us fulfill the true goals of the act.

People must help us, they must try and understand that we want to go in the right direction. If it turned out that the bill did not meet its aims, if it were more harm than good, I would be the first to say so. Because I belong to a party in which I am not forced to blindly accept any proposals, a party that allows me to discuss matters. We may make mistakes, but I do not believe we are making one now. We are going to pass the bill, and if it does not really help those we wish to help, I believe we should and will bring in further amendments.

For this reason, I fully support the bill. I hope that, if it does not bring the expected results, the government will introduce other amendments to make the act more efficient, more honest and more helpful to the unemployed.

[*English*]

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I welcome this opportunity to enter into the debate on this bill with regard to unemployment insurance because of the involvement I have had over the past three years with the people in my riding who wonder just what is going on in the field of unemployment insurance. We need only look at the record to see that something is certainly wrong and has been wrong because the cost of our unem-

ployment insurance scheme in Canada is now up to approximately $4 billion, which is up from $1.8 billion in 1972, or an increase of 186 per cent in the past three years.

In 1972 unemployment insurance made up 1.51 per cent of the gross national product. In 1975 we see it as 2.72 per cent of the gross national product, and when we consider that Canada, with just over 20 million people, has a cost of unemployment insurance the same as the United States with over 200 million people we begin to wonder what really is taking place.

We read in the Vancouver *Province* of June 19, 1975, headlines indicating that Ottawa will not compel workers to take jobs. We read that the Minister of Manpower and Immigration (Mr. Andras) told the Senate Committee examining federal manpower policy that the government will not force workers to accept jobs they do not want. In a riding such as mine this sort of thing makes people very uptight, especially when they know about UIC ski teams and when they see young people walking around the cities or on the beach having a good time in the sun. They know there is 20 per cent unemployment in the Okanagan Valley, and that the mines and the lumber mills in the area cannot get enough people to work. No wonder a statement such as this makes them uptight and they write to their member of parliament.

● (2040)

We also hear of many abuses of the unemployment insurance scheme, and I get many complaints from my constituents. Maybe not all are legitimate but some of them are, and people are very concerned.

I think we must decide whether this should be a welfare scheme or an insurance scheme, Mr. Speaker. I submit it is really a welfare scheme. It has taught people not to work and, as a result, we are losing the work ethic in Canada.

I know that the unemployment insurance offices have people in the field trying to police the scheme, but in most cases it is the innocent who get caught. Some people have worked 20 or 30 years, have paid into the scheme, and for some reason find themselves unemployed. Then they have to fall back on unemployment insurance. These people are not experienced in beating the system and we know that those who are experienced in this sort of thing are hard to catch. The easy ones are caught and an example is made of them. Usually they are quite innocent people who do not know how to manipulate the system.

At the moment there is a post office strike and some unemployment insurance offices are open on Saturdays so that people can get their cheques. In my riding the first day they were open 45 per cent of the people did not pick up their cheques. We do not even know if they are still in the country. Why should they not pick up their cheques? This seems to suggest that a lot of people are abusing the system. They might not even be in the area or could be out working—they could even have two or three different names on the list.

The strike has taught us that we should stop mailing these cheques. People should go to the office to pick up their payment. After all, they are unemployed and should have more time than anybody else. They should be available when the payment is ready.

The Manpower offices and unemployment insurance offices should be put together, with an emphasis on Manpower. Shortly after I was elected I went into the new federal building in Kelowna to visit the Manpower office and the unemployment insurance office. The latter was on the second floor and very easy to get at, but the Manpower office was on the third floor and down a hall at the back end of the building. I think the reverse should be the rule, with the Manpower office easy to find, not the unemployment insurance office.

I should like to read a letter from one of my constituents which originally appeared in the Penticton *Herald*. I think it points out what I am talking about. It is headed "A Mother Pleads For Help", and reads as follows:

In a check out line at a local grocery store today, I was behind five husky, beautifully tanned young men who made their food purchases with food vouchers. They reminded me of construction workers with their big brown bodies—or beach bums—and I here confess, without facts, I suspected the latter. Later I watched them drive away in a late 1960 auto.

I watched too, the faces of the young female clerk and even younger packer as they put the groceries in bags and did the necessary signing of forms. When my turn came, I commented that it was unbelievable that five healthy males would need food vouchers with local orchardists begging for pickers . (My own 15 and 12 year olds are picking cherries part of a day). The clerk said it really "gets you down" when you see as many as ten some days going through her checkout alone.

So when I got home, I phoned Human Resources and asked how this was possible. The gentleman told me transients are given food vouchers of $5 only when they have proof that are going to a job. (In my cynical manner I wondered how they check up on that!!) I told the chap I was annoyed. No one minds widows and orphans, but adult healthy males are another thing. I told him of the faces and feelings of the working folk I had observed, and became more annoyed as I talked.

● (2050)

He finally said, "How would you feel if you had a job to go to and no money for food?" Now how, thought I, can he possibly know the total facts about a person, after an hour's interview—even days of interviewing? I am not the only one who thinks emotionally and irrationally, without knowing all the facts at times. So do trained social workers and governments who propose and pass legislation on an emotional basis.

My answer to him was fact, I believe. These young men knew yesterday that they would have to eat today. They were intelligent (to take advantage of a system) and educated; they spoke and wrote and drove a car.

And that reminded me of our recent holiday and a notice we read while deep in the Oregon mountains, where the beautiful cheeky Stellar's blue jays ate right out of our hands. It said, "Please do not feed the wild life. By doing so, you attract unusually large numbers to the area, which in turn over use and destroy their environment. The animals gradually forget to forage for themselves. The squirrels and chipmunks forget to store food. When the winter comes, they will destroy themselves. In other words, your charity can kill them."

We are not so concerned with our environment, yet here we go, disturbing and destroying our human ecology. For the saddest thing about this whole story is not what we have given to those young men, but what we are taking away from them. We have taken away their ability to face a problem and think their own way out of a dilemma. We are conditioning young people to a reliance on the state to solve problems, and this is an erosion of the individual's independence and responsibility. Again we have taken away pride and self respect, proof of which is the acceptance of charity while able to work.

But the greatest thing we have taken away from them is their "spirit," the life blood of any nation. And so sadly, and by and far, more dangerous, this same "spirit" is what I watched, fading from the faces and speech of the young clerks in the grocery store, by a system which no longer rewards healthy minds and bodies at work, but instead taxes them to death, both physically and mentally. Yes, it does "get you down." No wonder there is a tremendous increase in artificially "blotted spirits" and prescribed, or otherwise, drugs.

This epistle must cease. My 12 year old has just come bounding through the door, proudly announcing he earned $5 picking cherries today. Please society—you and I—let's not kill his spirit with irrational kindness.

This lady has put it very well. I might say that a tremendous number of copies of this letter to the editor were sent to me. It sets out very well what is happening in my constituency.

Unemployment insurance should be a program that helps people when going from one job to another. It should be an insurance scheme. Other members of my party have ably pointed out the salient points of this bill. Those aged 65 will no longer receive benefits. I do not know how the government rationalizes that when all that will be saved will be approximately $3 million.

I received a telephone call today from one of my constituents who is approaching the age of 65. He has paid into the unemployment insurance plan all his life. Now that he is about to retire, he will not receive any benefit. He will not receive the full Canada Pension Plan benefits because he has not been on the plan long enough. He has paid into the unemployment insurance plan and feels he should receive some benefit. Under the regulations he must be looking for a job in order to enjoy the benefits.

I had to agree with this person that there are many people who receive unemployment insurance most of the time. They only have to work for two months to receive the benefits. Even though they have to wait eight weeks, that is not much of a hardship for many of those who do not want to work. If they know how to manipulate the system they can go for a year or even better without working. They do what they know best, and that is what we are teaching them, namely, to watch work. I often say that I like work so well that I can sit and watch it all day. This man knows what is going on. He feels that be is being discriminated against. I have to agree with him as the amount that will be saved is low.

The low income worker is the one who will be hurt. The cost of it is being put on to the backs of the poor. It is not designed to save a great amount of money, to get people used to the work ethic again, or find jobs for those who are unemployed.

I do not wish to delay this debate. However, I do want to point out that I feel this is just a housekeeping bill. It will help the government solve some of its problems by putting the cost on to individuals, businessmen, and companies. There is no doubt about it, it is just another tax. It is a regressive tax. The business people and companies will not be pleased when they see what is going to happen to them. They may not understand it now, but they will certainly understand it when they see how much it is going to cost them. My friends from the NDP say—

Some hon. Members: No, no!

Mr. Whittaker: I am sorry. I must explain that a Liberal member, another socialist from British Columbia, is sitting with the NDP. I thought the NDP had learned not to heckle me. I think they have learned that. Possibly this Liberal member has come over so that I will be able to hear him.

As I was saying, I do not think that the amendments in this bill will do the job that is necessary. It has taken the Liberal government a long time to introduce it. I have been waiting three years to say something about the unemployment insurance scheme. It has taken them a long time to bring down anything we can debate.

• (2100)

I sincerely believe something should be done about this massive welfare-type scheme we have in Canada. A board of inquiry should be set up to determine exactly what is going on in the field. It is not easy for politicians and legislators to do this, especially when we are deeply involved in helping people almost on a daily basis as a result of the complicated way in which the scheme is run. In my opinion there ought to be a properly set up board of inquiry to find out just what is going on, and present a report so that we can make proper and necessary changes.

Mr. Derek Blackburn (Brant): Mr. Speaker, I have been listening to the speeches made by a number of hon. members today. I get the impression—it may not be correct—that it is almost like having a free vote in the House; in our approach to the bill we tend to reflect the demography of our own constituencies. If it happens to be a highly labour-intensive constituency where there is a lot of unemployment, then regardless of its geographical location we tend to reflect the specific problems of that constituency. I think this is admirable and I am not being critical.

We have heard in the House during the last few days speeches which reflect deep concern not just over Bill C-69 but over the whole approach we are making to social questions and social security. We have listened to hon. members who represent the wide open spaces in Alberta. We have listened to members who represent poor ridings, comparatively speaking, in Atlantic Canada, and we have heard them almost crossing party lines in terms of philosophy. I shall not mention any hon. member specifically but I am very impressed by this kind of scattered approach which expresses the attitudes of individual members concerned about the effects of a bill such as Bill C-69. There are extremes in this country which cross party lines.

As for myself, Mr. Speaker, I have no intention of crossing either parties or party lines this evening. I happen to represent a constituency which is primarily urban, primarily labour oriented. We are not experiencing high unemployment but we do find unemployment running close to the national figure. We have been through bad times; we have seen times much worse than they are at present.

Though in terms of social philosophy unemployment insurance is both desirable and necessary I must state at the outset, Mr. Speaker, that the Unemployment Insurance Commission is one of the most poorly managed of all federal government agencies. I suggest without equivocation that the commission and its regional and branch offices have displayed an inordinate propensity to err, to be disrespectful toward claimants, and at times to show an almost total disregard for people's sensitivities at a time of financial crisis.

I believe the state has a moral obligation to assist those citizens who are temporarily out of work due to sickness, a lay-off, pregnancy, or any other reasonable cause. We must always bear in mind that those who claim unemployment

insurance benefit are not those who exert any real influence on our economy. It is not they who make the major decisions, or blunders, in the Ministry of Finance or in the boardrooms of our major corporations. It is not they who manipulate the economy, who cause the peaks and lows in the business cycles. It is not they who control our trade policies or the amount of money in circulation. They are the victims of "the system", not the managers or administrators of it.

One constantly hears of the big UIC rip-off. One is constantly told of the terrible waste in financial and human terms caused by unemployment insurance, that it contributes to the desire to get something for nothing and that it is anti-work oriented. In fact, Mr. Speaker, most Canadians would rather work than draw UIC benefits, as I believe hon. members who talk to their constituents at week-ends will confirm. In the second place, such benefits are not excessive.

If a family man budgets on an income of $180 a week and suddenly finds himself without a pay cheque, he is in trouble. The average Canadian family cannot last longer than three weeks without income before having to dip into savings. If the head of the family has to wait four or five weeks, he is in a state of financial crisis. When he does get his UIC cheque, the current rate of about $120 is a far cry from the $180 I mentioned before. His whole budget is upset, and debts begin to pile up. Therefore I do not subscribe to the school of thought which believes that UIC benefits are excessive or counter productive.

It is true that a small proportion of claimants deliberately take advantage of the system, but there are con artists to be found on every street corner across Canada as well as in the boardrooms of our corporations. I am not condoning their behaviour. Those guilty of abuses should be severely dealt with, but let us not condemn the concept of unemployment insurance because a very small minority abuse it.

I should like to refer to an article which appeared in the *Globe and Mail* of February 21, 1975, entitled "U.I.C Called Poor Employer in Consultant's Report: Workers are inadequately informed and motivated." The newspaper story describes the report as saying that the Unemployment Insurance Commission is a poor employer and that most employees were "defensive, negative and poorly motivated". If this report is not accurate it is certainly the impression that most claimants get on entering a UIC office to discuss a problem with the staff. I use this word in a general sense, but I am old enough to have travelled a great deal on our railway system in this country, and in my opinion many UIC employees take the old CNR attitude that the public are second class citizens, and "If you don't like the system, get lost and don't bother us."

● (2110)

Mr. Benjamin: That is the CPR attitude.

Mr. Blackburn: My friend says that is the CPR attitude and perhaps that is so. It is true that some people love to attack the government by verbally assaulting those civil servants closest to them, in this case UIC employees. None the less these employees should be emotionally mature enough to meet the public, even a hostile public at times. Moreover, they should be able to give out information without adding to a series of contradictions, and without always being able to hide behind the vicissitudes of that infernal computer. It would seem that it is always the computer at fault, never the programmer.

As far as motivation is concerned, I find it difficult to understand why UIC employees are not happy in their work. They are well paid compared to private industry, they work in nice clean surroundings protected from the public by movable walls and jungles of plants, and they are usually falling all over each other because of overstaffing. What more could anyone want?

Mr. Mazankowski: A typically socialist example.

Mr. Blackburn: A typically Liberal example, not socialist. The consultant's report also stated that in all the thousands of words written and spoken about the Unemployment Insurance Commission there does not appear to exist a cogent and coherent statement of the objectives and policy of the commission. Even the new act of 1971 setting up the commission fails to make a definitive statement. The act does not deal with the principles which underlie the legislative and regulatory pronouncements.

It could be this glaring weakness that has led some of the public to look upon unemployment insurance as a kind of handout or welfare program, whereas in fact it is a compulsory contributory insurance program to protect working Canadians against loss of income due to unemployment.

The report also stated that the bulk of employees are confused and uncertain about society's perception of the value of the work they are trying to do. One cause of this, I am convinced, is the breakdown in communication between the UIC and claimants as a result of having to attempt to provide personalized service in a basically computerized constructed vacuum. The result of all this, Mr. Speaker, is that there is a constant turnover of staff. Moreover, there is little commitment on the part of UIC staff to do the best they can for their clients—not their slaves but their clients—who in many cases are looked upon as mere nuisances.

It is small wonder then that the average claimant has one hell of a time getting information from his local or branch UIC office. Usually the claimant gets no information, or inaccurate information. The claimant becomes bitter and frustrated. This in turn leads to bitterness among the UIC staff. And so the situation gets worse.

There are, however, staff members who are dedicated and knowledgeable, but unfortunately most of these are not accessible to the average claimant. I would, therefore, strongly recommend that the Unemployment Insurance Commission make available properly trained staff at all levels of its operations, particularly those dealing directly with claimants. After all, this is the front line. If people are to receive not only a fair deal from the UIC but are to feel that they have received a fair deal, it is incumbent upon the Unemployment Insurance Commission to make sure that their best trained people deal with claimants or clients in a very intelligent, acceptable, and humane way.

Another aspect of the Unemployment Insurance Commission that has given me serious concern is the position,

responsibilities, and activities of the benefit control officers, in rural areas of Canada sometimes referred to as the "local Gestapo". This group was originally set up to provide claimants with information and guidance in searching for employment. The basic responsibility to date, however, has been to ensure that payments are made to bona fide claimants. This has led to all kinds of problems.

Benefit control officers, by and large, seem to have adopted the attitude that most claimants are guilty unless they can prove otherwise. For example, a claimant goes to a UIC office for what is called an interview with a benefit control officer, but for what is really a very subtle interrogation. The benefit control officer asks all kinds of leading questions and then summarizes his findings in the form of a statement in his own words. Claimants are not warned of the impact the statement will have. Moreover, a person in some cases is being asked to incriminate himself, something which runs counter to our basic concept of the common law.

Often the benefit control officer's report does not reflect the interview but, rather, his interpretation of the interview. It is also interesting to note that in 1972 and 1973 many retired policemen were hired as benefit control officers. That, by implication, speaks for itself.

Benefit control officers for the most part do not assist in directing claimants to job opportunities, which was the original reason they were engaged as members of the staff of UIC offices. They are really just "cops" chasing "crooks". As a result of this situation, I recommend that claimants be accompanied by representatives during all interviews and that claimants also be told before the interview the full meaning, impact, and consequences of the interview. Claimants should simply not be forced to sign interpretative statements of a self-incriminating nature.

I made reference a few moments ago to con artists. There are some slick operators but very few people who know how to handle benefit control officers. I have personally talked over the telephone, as well as in person, to middle aged men and women not too well versed in the English language who have had interviews with benefit control officers. The benefit control officer says to them, "You understand what you are reading?" If they say no, he reads it to them. Many of these people come from Europe, and they sign their names to the statement. These people then come to my office on a Saturday morning or afternoon and I ask them whether the statement is really what they said. Or they have a friend knowledgeable of the English language, and when they get talking together they say it is not exactly what they said but that is what they were made to sign.

I am not saying that the benefit control officer said, "Thou shalt sign or go to jail", but the impression was at least left with these people that if they did not sign they would be in trouble. We have to look at this sort of thing very carefully. I realize that a few people are taking advantage of the UIC system, but there are also a lot of innocent people being led down the garden path.

I should like to suggest some other changes that I think should be introduced at this time to eliminate not only hardship but bad feeling on the part of many claimants. I have never been able to understand why the so-called normal or regular waiting period after termination of earnings must be two weeks. I am now talking about a regular or a maternity claim, not a sickness benefit claim. Surely in this computerized age one week would be sufficient. I do not understand why the waiting period has to drag on for two weeks, and then a claiment has to wait another two or three weeks afterwards.

Another aspect of the Unemployment Insurance Act which has not been altered relates to severance and vacation pay, and I think this is an injustice particularly to those in the construction industry. As hon. members know, vacation and severance pay are work credits earned during the claimant's employment, not when he is unemployed, and this money should not be classified as earnings after layoff. That simply is not fair. The construction trades in particular are badly hit. Most of this work is seasonal and subject to many layoffs. Since that is usually when they begin looking for new work, they are caught in the vicious circle of not having a vacation and having their vacation credits wiped out by the Unemployment Insurance Commission. Surely a more equitable and reasonable system can be worked out.

● (2120)

Another source of problems is the artificial division that took place some ten years ago, and this has been mentioned by other hon. members, when the old National Employment Service was separated into the Unemployment Insurance Commission and Canada Manpower. I suggest this arbitrary division has, for the most part, weakened the function of both agencies.

On the one hand the Unemployment Insurance Commission, in close consultation with claimants, is unable to place the claimant and tends to become punitive in its approach if the claimant remains unemployed for any length of time. On the other hand, Canada Manpower, though it often fails to find employment for its clients on UIC benefits, acts as a spy, surreptitiously passing on information to unemployment insurance officials, or benefit control officers, for punitive action by the Unemployment Insurance Commission. This situation obviously gives both agencies a very poor image in the community. This specific kind of relationship is also highly questionable and unfair.

Quite frankly I have found very few employers or employees who are satisfied with the present division between Canada Manpower and the Unemployment Insurance Commission. In fact I have not found very many employers or employees who have any use for Canada Manpower at all, but that is beyond the purview of this act.

Another aspect of this lack of fairness stems from the fact that the unemployment insurance offices receive information from Canada Manpower that "X" number of jobs are available in any given community. The Unemployment Insurance Commission then uses this information to disqualify claimants even though the UIC really has no idea where the jobs are, or what type of jobs are available. I recommend that the Unemployment Insurance Commission and Canada Manpower stop living common law and get married, or get married again.

I would now like to look at some of the proposed amendments introduced by the minister at first reading in July, and about which he spoke last week. I disagree completely

with the extension of the penalty period from three weeks to six weeks. That arbitrary extension results in an eight-week waiting period for those who quit employment voluntarily without just cause, and for those who refuse suitable employment, or who are dismissed for misconduct.

Just how is one to define "just cause" and "suitable employment"? This amendment could, and in many cases probably will, turn benefit control and insurance officers into petty local tyrants. There are many valid reasons why people leave employment voluntarily. There are also many valid reasons why people must refuse a specific job. What will be the yardstick, and what will be the criteria?

It is fair to say that most employees are pretty reasonable people, but you will always find personality clashes and conflicts in large plants, and even in small plants, between a worker and a foreman or, in a construction gang, between a labourer and a straw boss. If this conflict is of a personal nature the employee is at the mercy of the straw boss, the foreman, or the superintendent, and under the terms of this amendment he is in real trouble. If the job has become intolerable for him on a personal basis, let alone because of working conditions, what alternative does he have? He either sits back and takes it from the foreman or the employer, if that employer is not a reasonable man or woman, or he quits and is then penalized to the extent of six weeks instead of three, with another two weeks added, making it a total of eight weeks. This almost goes back to some of the old sweatshop days of years ago.

Let us not forget that 250,000 annual voluntary quits in the labour force represents only 2.5 per cent of the work force, and that 26,000 job refusals represents only two-tenths of 1 per cent of the labour force. This is certainly not "alarmingly high", as the minister suggested in his speech. The minister should know there are thousands of jobs today which are repugnant to most Canadians. Even he and his army of civil servants who drafted this legislation would find them unacceptable.

I realize that in some cases where a person is laid off and there is a job available, and if the individual is able to do that job, then that person should go back to work until something better comes along. However, when you have unemployment running at the rate of 7.2 per cent nationally, and from 15 per cent to 18 per cent in Atlantic Canada and in other parts, it is one thing to say you should go back to work and it is an entirely different thing to find a job in those parts of Canada.

Let us remember that this is a federal House of Commons. This is not the Alberta House, the British Columbia House, the Saskatchewan or Ontario House, this is the federal House. We are enacting federal legislation here and we are not just talking about those beautiful and wide open spaces of Alberta which I love. We are talking about heavily congested cities such as Montreal, Toronto, Vancouver, Halifax and so on. We are talking about the mining cities on Cape Breton Island. This is a federal House so let us not be too parochial in discussing a bill that affects all Canadians.

I would now like to look at the formula for financing the unemployment insurance program introduced in this bill. The minister said:

—it is now time to face practical needs for adjusting the application of the financing methods and to bring them in line with current economic reality.

What is current economic reality? It is that since 1971 and the last amendments, or in fact since the new bill of June, 1971, the rate of unemployment has fallen below 5 per cent for only one month. The average since then has been 6.4 per cent in 1972, 6.3 per cent in 1973, 5.6 per cent in 1974, and at least 7 per cent this year.

The government by this amendment will face the practical needs not by reducing unemployment but by shunning its responsibilities, and making those who work pay for its bungling. In 1971 a threshold of 4 per cent unemployment was set as the level above which the government would assume the additional costs of UIC benefits. This would give the government incentive to fight unemployment. As we all know, this incentive was not good enough; now we find that the government has had to bear great financial responsibility for its lack of initiative and lack of ability to create enough jobs for enough people to reduce unemployment to acceptable levels.

The amendment would allow the benchmark to be adjusted each year on the basis of monthly unemployment rates over the last eight years. Extra costs would thus be borne by individuals.

High levels of unemployment have meant big payouts from UIC funds. Granted, this is not acceptable, but why should the working people of this country take the blame for it, for that is what this amendment virtually does? It is estimated that if unemployment reaches 7.6 per cent in 1976, as some predict, payments may reach $5 billion. What happens, for instance, if the anti-inflation program, so-called, drives unemployment up, as I am quite sure it will? Again it will be those least responsible who will have to bear the added cost through increased premiums.

What is probably most disturbing about this amendment is that the Liberals have said in effect that "normal unemployment" will now be considered to be 5.3 per cent, the average of the last eight years. Premiums will rise from approximately $1.40 per $100 insurable income to $1.60 or $1.70 per $100. However, and this is crucial, there is a ceiling on contributions. Thus, the UIC premium represents a bigger proportion of the income of lower paid workers than of higher paid workers. In effect this is another tax imposed on those on lower incomes. This is really what it amounts to, and those at the bottom pay a higher proportion of their insurable earnings for unemployment insurance.

● (2130)

I understand that my time is running out, Madam Speaker. When it comes to unemployment insurance, after being involved in it for four and one-half years I have come to the conclusion that these amendments—will really not amount to a hill of beans on the positive side, and on the negative side will make things worse for the lower paid employees. I call upon the minister to think a second time, and I call upon the members of the committee to whom this bill will be going to bring in meaningful amendments so that we will have some fairness and equity in respect of these amendments that will be commensurate with the needs, the demands, and ability to pay of the average Canadian.

Mr. Robert McCleave (Halifax-East Hants): Madam Speaker, as is the case with other members, over the last few years I have dealt with hundreds of cases involving unemployment insurance claims. Perhaps the most interesting was a claim that was turned down on the grounds of a pregnancy. It is interesting that this happened in such a place as Halifax-East Hants. Not since Adam gave birth to Eve has any man been pregnant, and yet this claimant was turned down on the ground of his pregnancy. There was no discrimination involved. The fact simply is that the young lady who punched the computer machine got the figure transposed.

After six days of debate I do not intend to cover a very wide range, but instead would like to bring to the attention of the House and the minister what I believe to be a discrimination against a small group of working people in Canada. These are Americans who have come to this country, have obtained work and have paid unemployment insurance premiums. Then, as happens in certain cases, they are not able to have their work permits renewed. The specific case I think of, occurred in respect of a young woman, a secretary at St. Mary's University in Halifax.

This young woman was supporting her husband who had come to this country as a student. He was also an American. Things went well until suddenly this summer she was refused an extension of her work permit. When she phoned the unemployment insurance office she was told she had made enough contributions to qualify for payments for a certain number of weeks, but when she went to collect it was a different story. She found that the payments were refused because she was not in a position to say she was available for work.

Physically she was available for work, and if a job had been offered and she had been in a position to take it she would have been working. But she had to advise the unemployment insurance office that she could not work because she did not have a permit to work in Canada. Here I believe we have an example of a very strict ruling being made. This woman was refused unemployment insurance payments because, although she had made all the necessary payments into the fund and her employer had as well, she could not obtain a permit to work.

This is the type of injustice I wish to bring as forcibly as I can to the attention of the minister. I hope the minister, when he appears before the committee and examines this case, will determine whether there is a remedy. I should like to say to the Minister of Manpower and Immigration (Mr. Andras), and to the officials of the Unemployment Insurance Commission who read these proceedings, that it is possible that the ruling made against this American woman in Halifax was a local ruling, and was inspired by some Philadelphia lawyer who had temporarily taken up residence in Halifax and had construed the law in a very strict and discriminatory sense. He went by the strict letter of the law, rather than by the intent of parliament or by anything that would represent common sense.

It is possible that the person advising the Unemployment Insurance Commission office in Halifax made a very strict and wrongful interpretation of the law which would not apply in other parts of Canada. If this is the case and the minister so advises me, I will give him the name of the young woman. She has now returned to the United States. Perhaps they could send her at least her payments, or the money she paid into the unemployment insurance fund in good faith.

That is one way of looking at it. It may just have been a local error. If it is not, may I suggest two approaches to the minister. The first is that the young woman in her predicament be treated exactly the same as a person in the final year of work before going out on pension or retirement, that is, if she is over age 65 she cannot collect. Surely some method will have to be found so that those people do not have to pay into the unemployment insurance fund. After all, it is an insurance fund and one should pay in only if there is a reasonable probability that, certain circumstances having happened, one would receive payment or compensation for what he or she is trying to insure against. That is one aspect of it.

The other is that if the Department of Manpower is to give work permits to Americans and force them to pay into the unemployment insurance fund, then I think simple justice requires that if those people are put out of work through no fault of their own but through the fault of a change in government policy in Canada, they should receive unemployment insurance payments. I think that would have been the just result in respect of this young woman of whom I speak this evening. There it is. I hope the minister and the officials of the Unemployment Insurance Commission will put their heads together and come up with a solution to achieve justice for a small but important class of people.

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I am pleased tonight to have the opportunity to speak in this debate. I come from the province of Alberta, where there are not that many people unemployed. In fact often we are looking for skilled and unskilled people to help us out in the agricultural and energy fields. However, I have a number of problems, just as other members have, which I should like to take the opportunity tonight to bring to the attention of the House and the minister.

Many of my colleagues have spoken and have very clearly outlined many of the criticisms that can be levelled at the unemployment insurance bill. I do not mean to repeat what has been said because these criticisms have been very well set out. I am concerned about some of the measures that are being proposed, especially those aimed at the so-called low-income claimants and people over 65 years of age. Several positive and constructive suggestions have been brought forward. I hope the minister will look at them with a favourable eye and, as well, will look at some of the constituency problems that bother a great many of us constantly and which should be solved by some adequate amendments to the act.

● (2140)

Before discussing certain aspects of the bill I should like to pinpoint another problem which is of great concern to me. As I travel through my riding, and even throughout Canada, I come across a great many people who are discouraged with the Unemployment Insurance Act. They constantly say it is really only another welfare program. This concerns me because unemployment insurance is insurance against unemployment, and we should have an act which pertains to that element only. I should like to see

changes made so that we really do have a program of unemployment insurance that can stand on its own feet.

Assuming that the concept behind this program is insurance against unemployment, I should like to examine the situation which was described many times before but which I think bears repetition and which occurs in rural ridings. My riding of Westaskiwin is essentially rural. It contains some 30 to 40 communities numbering from around 600 people to around 5,000 people each. People working in these areas pay unemployment insurance, yet when they apply for unemployment insurance benefits when they lose their jobs they find they are often disentitled because of the so called distance rules. Let me give some examples.

I have had many complaints from communities in the Drayton Valley and Winfield areas in my constituency, some 85 miles from Edmonton. A man living in this area who becomes unemployed and applies for unemployment insurance often cannot find another job in that area, and if he does not state that he will take a job in Edmonton, 85 miles away and 170 miles round trip, he is disentitled. The commission justifies its decision by claiming that the individual concerned has limited himself to seeking work in an area where no opportunities for employment exist. And we call this an unemployment insurance program!

I would suggest to the minister that perhaps we could amend the act so that it would place a limit on the mile radius within which employment could be sought, say, for example 40 or 50 miles which would be the outside distance within which an individual must travel to work. If he cannot find a job within that area and if the only job for him is available some 100 or 200 miles away, some assistance should be given to that man in order to enable him to move himself and his family to another location nearer his work. This is important, and it is a matter which many hon. members representing rural ridings have been bringing up time and time again. It appears that there is certainly a problem here.

I am a member of parliament who perhaps does not have as many people calling me about unemployment insurance problems as do a great many of my colleagues, and I feel I am fortunate because in my riding a great many people can find work because they are close to the city of Edmonton. But there is the periphery area to which I referred which is having problems with the commission.

Another complaint that I receive fairly often is from a person who receives unemployment insurance while he is actively attempting to find work and, for some reason or another, finds he has been disentitled and then is asked to pay back in a lump sum what he has received. I agree that mistakes can be made, but it would seem fair for some type of payment program to be worked out so that this person is enabled to pay back the unemployment insurance which has been overpaid.

I have had cases of people who, three weeks after they had paid back the money to the Unemployment Insurance Commission, were told there was a mistake, that they were entitled to the benefit, and were then put back on unemployment insurance. This is a serious administrative problem, and I think it could be corrected and the matter dealt with in a more humane manner in cases where a person is paid more than is justified and then is disentitled.

I have another problem which occurs in my riding and which I would like the minister to consider because it is one that causes me a great deal of concern. The town of Ponoka and the surrounding area are some 75 miles from Edmonton and 110 miles from Calgary, yet the way the boundaries are divided the people in Ponoka who have legitimate complaints against the Unemployment Insurance Commission must travel to Calgary to have their cases dealt with there. They are closer to Edmonton and they cannot understand why they have to go in the other direction to have their problems solved. I think this could be changed easily. It is a complaint that I would like to get off my chest. I see the minister nodding his head and I am happy about that.

I want to emphasize a point that has been made by the hon. member for Brant (Mr. Blackburn) and, I am sure, by other hon. members, regarding the fact that unemployment insurance and Manpower should be reunited. In Edmonton the Unemployment Insurance Commission is located in one building, and across the town, some 10 or 15 blocks away, the Manpower office is located. Perhaps it would be possible to have one file for every individual and in this way a great many of the problems and discrepancies could be solved.

In the rural constituencies many jobs are available on a seasonal basis, sometimes for only two or three weeks. Any one who has run a farm, a ranch, or a small business knows that many times in the year he could employ a person for a short period of time. At the present time an individual who is collecting unemployment insurance benefits and who is offered short-term work, say, for example, on a farm during the harvest season or in a small business, will not accept such employment because he knows that if it is for less than eight weeks he will subsequently be unable to claim unemployment insurance.

However, if one file were kept on a person, it might be possible for him to accept short-term work provided he is all the while, even while employed, actively seeking a permanent job. This type of incentive could be built into the act, and if the Manpower department and the Unemployment Insurance Commission were amalgamated the problem would be largely solved. It is a complaint that comes to me many times from rural areas where farmers cannot give a job to people who are on unemployment insurance or on welfare to help them out for a few weeks because of the fact that they would lose their benefits.

I realize that the argument has been put forward many times that we should ask a claimant to work for six weeks before he is entitled to benefits. At present the act says that he must work for eight weeks before being entitled, so the suggestion I am making would not fit in here, but I think it would be possible if that individual had one file for the two departments.

Now I would like to deal briefly with the amendments that have been proposed. It seems to me that we are spending a great deal of money on unemployment insurance. We should want to tighten up the regulations so that it is in fact an insurance program and so that we are not spending so much money on it, when really we should be finding employment for these people. When I look at the amendments I really do not see how we will accomplish that.

● (2150)

We are estimating that we will cut people who are over 65, and who are unemployed off unemployment insurance benefits. This will affect approximately 5,000 senior citizens. It is a minute group. It has been stated that this will only amount to a saving of $2 million or $3 million, and I am not sure that we are saving it on the backs of the right people. If these people want to work after they lose their jobs and are actively seeking employment, they should be entitled to unemployment insurance benefits.

The so-called reform directed at low income recipients will severely hit individuals in that group who have dependants. No differentiation is being made between people having different needs or different ascribed circumstances. Under the 75 per cent benefit rate individuals in this group could receive a maximum of $46.26. At the 66⅔ per cent rate they will receive a maximum of $41.07. The intent of the proposal is therefore to achieve restraint by denying $5 per week to those who are unemployed and who are in the most need of financial assistance.

Before I conclude I wish to make one more point. This matter comes to mind often when we speak of unemployment insurance. It is about seasonal employees who make a great deal of money in a short time. There are many in Canada today who are employed in the construction business or in oil fields. There are many examples I could use, but these people earn $10,000, $12,000, $13,000, $20,000 in six, seven or eight months of the year. They are still eligible for unemployment insurance, and I think it would be easier for us to amend the act to make it necessary for a claimant to state the amount he has earned in a particular year. If it is over a certain figure he should be unable to collect unemployment insurance.

I think it would greatly help the people of Canada who are working and paying unemployment insurance to feel that the program is doing something for those who really need insurance against unemployment.

I hope the minister will be open to suggestions in the committee from all parties in order to tighten up this bill and make it an insurance program, and I know we will be helping him in any way we can.

Mr. Stuart Leggatt (New Westminster): Madam Speaker, before dealing in a general way with the bill I should like to go into some of these amendments in some detail. I am glad to see that the minister is here.

Mr. Guay (St. Boniface): He is here all the time.

Mr. Leggatt: Well, most of the time. I must say that I am not one who is totally at odds with the amendments which have been introduced in the bill.

Miss Campbell: Let's pass it then.

Mr. Leggatt: The amendments themselves are a mixed bag, and if I have any criticism of the bill it is not as much in the amendments we are dealing with as in the fact that certain matters have not been changed by this bill at all. In other words, it is not what has been done in these amendments, it is what the minister has failed to change which bothers me.

[Mr. Schellenberger.]

One of the complaints I receive from claimants and from the general public deals with the question of the minor attachment provision in the bill which allows an initial benefit period and then a re-establishment period. One of the problems here is that to the mind of the average claimant it is extremely difficult to figure out which benefit period he is in. I should think that no one except some re-established bureaucrat would understand what a re-established claim is. The program should be made more simple and meaningful for the claimant, as well as lawyers, union representatives, and all the professionals who become involved in this program so intensively, and to some extent further complicate the program.

In my view the minor attachment provision is a complicated factor. I suggest to the minister that he give consideration to there being only one attachment period, a major period, but the amount of work a person has to put in in order to establish himself for benefits should be reduced.

The idea of two sections is counter productive in terms of incentive for those seeking employment. Let me give an example of someone who is on a minor attachment, and who is then laid off. If he takes a new job for less than six weeks he does not go back on benefits because he has not re-established himself under the provisions of this act. The difficulty is that a claimant who does not re-establish himself has no incentive to take anything but a permanent job. If he goes back to a job which looks as though it could be for less than six weeks, there is a tremendous temptation—although it is a violation of the act—on the part of that claimant not to take the job because he will destroy the prospect of future benefits under the program. It seems to me that serious consideration should be given by the minister to the question of the minor attachment.

There is another aspect with regard to the minor attachment which bothers me, and that is that eight weeks of employment qualify those who are at achool for unemployment insurance. The student returns to a full time study program at a university or high school, and there are now a number of examples of people making claims on the ground that they can qualify by saying that they will be available for employment. They say that they are seeking employment and that therefore their education is a temporary thing.

Mr. Andras: Pretty tough to get away with that one.

Mr. Leggatt: Some have.

Mr. Andras: Let me know their names.

Mr. Leggatt: Perhaps we should have a look at how they have done it, but they have been on claim. In fact, my daughter told me that she was going to go on unemployment insurance, and she is a high school student.

Some hon. Members: Oh, oh!

Mr. Leggatt: I told her that there was no way she would go on unemployment insurance.

An hon. Member: I didn't know she was that old.

Mr. Leggatt: Oh, yes, but of course she did not go on unemployment insurance. When I look at the act I have a

strong suspicion that she could attempt to qualify herself on the ground that she had intended to leave her education for permanent employment, and as soon as she found it she could leave, and therefore she would be available for work even though attending an institution full time.

Mr. Guay (St. Boniface): Did you advise her?

Mr. Leggatt: I advised her not to go on unemployment insurance.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CANADIAN PACIFIC RAILWAY—LAY-OFF OF EMPLOYEES AT WINNIPEG—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on Monday, October 20, four days before it happened, I raised a question in this House concerning the pending lay-off of CPR employees at the Weston shops in Winnipeg. On that occasion I put the question to the Minister of Transport (Mr. Lang), but in all frankness he told me that he had nothing to report. The lay-off actually took place that Friday evening, October 24, and my colleague, the hon. member for Winnipeg North (Mr. Orlikow) and I were at a meeting of a couple of hundred of those employees in Winnipeg on Sunday, October 26.

● (2200)

I raised the question again on Monday, October 27. On that occasion I put my question to the Minister of Labour (Mr. Munro). I notice his parliamentary secretary is here tonight. I had hoped from the conversation I had with the Minister of Labour yesterday that he would be here, for he assured me that he regarded this as a serious question. If the parliamentary secretary is answering for him I hope he has an answer worthy of the minister.

The situation is a serious one. Some 760 workers in the CPR shops at Winnipeg were laid off on Friday night, October 24, for what could well be an indefinite period, and this at a time when we are being told that our railway equipment needs to be modernized, We get questions in the House such as the questions that came today about the lack of sufficient equipment to move stock in western Canada. On all counts it seems to us to make no sense at all to lay off railway workers at this time.

Some of us feel it is part of a squeeze play at which the CPR has been a past master for a great many decades. There are railway wage negotiations coming up. It looks to some of us as though the CPR is laying off employees in the hope it will have a case against a wage increase that is worth anything at all.

There are rumours or expectations that we will soon have the report of Dr. Noel Hall on railway pensions. I trust it will make recommendations for substantial improvements. No doubt the CPR is ready to say no before its officials even see the report. It is well known that the CPR is forever putting pressure on the government to provide it with money. I suppose it is not to be blamed for that because it has been getting money, land, mineral rights, and things like that from this country for a good many decades.

It is precisely because of what the CPR has got out of this country that we feel it has an obligation to provide proper and adequate railway service and that it has an obligation to play its part in maintaining our economy at a decent level.

A corporation like the CPR is not doing that when it lays off employees to the tune of 760, as happened in Winnipeg recently. I believe this may have happened, although not to the same extent, in Calgary and other cities in Canada and even to some extent in Montreal. My plea to the minister was that he indicate to the House what the government is going to do about this matter.

I started by indicating a couple of dates, namely, October 20 when I first raised the matter in the House this fall—we have in fact been raising it for months—and October 27 when I raised it again. Between those two dates the Prime Minister (Mr. Trudeau) and the Minister of Labour were both at Winnipeg. They were met there by these employees who were about to be laid off and both of them assured the workers that they would look into the case to see what could be done. When I put that in as part of my question to the Minister of Labour on Monday, October 17, he agreed that what I said was correct, that he and the Prime Minister had met these men and had assured them they would see what could be done. They are still waiting for a reply.

I hope the Parliamentary Secretary to the Minister of Labour (Mr. Leblanc) can tell the House that the minister has taken up this matter with the Prime Minister and the Minister of Transport, and that the cabinet as a whole has become aware of the seriousness of the situation, and that he has something to say tonight that will be more hopeful news to these CPR employees at Winnipeg than the unemployment they are suffering at the present time.

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Madam Speaker, first it is important to reassure the hon. member and tell him that the Minister of Labour (Mr. Munro) is very much aware of the vital problem he has raised with his usual competence, and that he is quite concerned about the future of those CPR employees. For that reason, the minister has immediately set up a group of senior civil servants, as the Prime Minister himself had promised the hon. member for Winnipeg North Centre (Mr. Knowles). This group includes representatives from the Departments of Labour, Manpower and Immigration and Transport; it has undertaken a comprehensive study of that problem.

The group already met on Friday October 31, 1975, and is to meet again tomorrow Wednesday, November 5, 1975, as well as in the near future, as required. There is no doubt that the Minister of Labour will inform the hon. member and the House of the solutions recommended by this group of senior civil servants from the three departments mentioned.

[*English*]

It is important to note that CP Rail have given written notice to each individual concerning the lay-off and have advised the minister of Labour accordingly. In all cases the employees have received lay-off notice in accordance with the terms of the collective agreement. Such terms, of course, provide for the lay-off of the person with the least seniority.

At one time the unions had alleged that CP Rail was in violation of the lay-off notice provisions in the Canada Labour Code. When this alleged violation was reported, officials of the Department of Labour met with the respective union leaders and it was ascertained that no violation of the lay-off notice provisions of the Canada Labour Code had taken place.

[*Translation*]

The minister apologizes for not being present tonight. As for the question of knowing whether the CPR is responsible for the dismissals, I cannot discuss it for the time being because I do not know all the circumstances surrounding them.

[*English*]

CANADIAN PACIFIC RAILWAY—ALLEGED SCRAPPING OF FREIGHT CARS—REQUEST FOR INVESTIGATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, like my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), on October 29 I addressed a question to the Minister of Transport (Mr. Lang) with regard to lay-offs that had taken place several days earlier of some 760 CPR employees.

My colleague and I had raised this question a number of times earlier in the year because of the rumours and warnings of the lay-off of a substantial number of people with fairly long service. That is a large lay-off for one city. On each occasion that we raised this matter we were told by the minister that, first, he had no direct control over CPR and, second, that we had his assurance he would look into the question.

When it became obvious that more than 700 people had been given virtually permanent notice that they would no longer be employed by CPR, I started to look into the matter more intensively. It became obvious that the lay-off to a large extent was due to the CPR using hopper cars built on the order of and paid for by the Government of Canada. Because of the use of these hopper cars to move grain from western Canada to Thunder Bay or Vancouver, freight cars that had traditionally been used by the CPR were no longer being used.

● (2210)

It seems strange to me that the CP should be laying off several thousand people across the country while CN has laid off virtually nobody. This has been confirmed for me. As I say, it seems strange, since each railway carries about half of the grain which is transported.

The second question to which I addressed myself was whether in fact the government had made any arrangements when it decided to purchase hopper cars for use by both railways in moving grain—whether the government had had any discussions with the railways and the Wheat Board as to who should own the cars, who should be responsible for their maintenance, and whether the railways had been asked to give any commitment that the hopper cars used to move grain would be in addition to the freight cars used until then. I found that not only had there been such discussions but that questions had been asked and that the minister then responsible for the Wheat Board has answered them in a positive fashion. I refer to a question put to the Minister of Transport (Mr. Lang) on May 29, 1972, by the former member for Regina East. The exchange was as follows:

MR. JOHN BURTON (REGINA EAST): Can the minister indicate what assurances have been given by the railways that they will maintain their present quantity of rolling stock engaged in grain movement—

HON. OTTO E. LANG (MINISTER OF JUSTICE): It would be very much the purpose and intention of the government to make sure that the hopper cars put into use in this fashion are additional to other rolling stock made available for the movement of grain.

Then the Leader of the Opposition (Mr. Stanfield) asked a supplementary question:

Am I to infer from the minister's answer that to date, at least, the railways have given no commitment that these hopper cars will be in addition to existing equipment and that the equipment now in use will be maintained?

To which the minister replied:

No, Mr. Speaker, the Leader of the Opposition is quite incorrect in thinking that. The railways have had very firm discussions with the Canadian Wheat Board on the amount of rolling stock they have available which is to be dedicated to grain. These 2,000 hopper cars will be additional to that rolling stock.

We find now that this agreement has not been lived up to. Of course there is a reduction in the amount of freight which CP is moving, but the CP is destroying up to ten boxcars a day, many of them in very good condition. I say that the CP, unlike the CN, has not lived up to its agreement with the Government of Canada and I call on the minister to take action to ensure that the CP ceases this wanton destruction of very useful equipment which it is scrapping simply because it suits it to use the hopper cars and not to use the equipment it promised the minister it would continue to use. It is because of this misuse of authority that 750 people have been laid off. I think the minister could, and should, take action.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in 1974 when there was a serious shortage of grain cars the federal government agreed to pay part of the cost of upgrading and repairing of, I believe, 2,400 cars for grain service. This aid was given on the understanding, contained in the agreement, that the removal of regular cars could not be accelerated. The agreement is being adhered to by both railway companies. I am informed by CP that of the cars affected by this agreement only two have been scrapped—they had both been involved in major accidents and repairs in each case would have been extremely uneconomical.

The hon. member referred specifically to a problem in Winnipeg. CP Rail does not scrap cars which are in good condition. He referred to the situation involving the purchase of hopper cars. Of course the justification purchase by the government of some 4,000 new hopper cars, now being delivered, was largely based on the inability of the railways to provide capital for hopper car replacement.

I have been assured by Canadian Pacific that the scrapping program for boxcars in Winnipeg has involved basically boxcars 35 years of age or more and which are requiring extensive maintenance. It is more economical to take them out of service than to maintain them with constant and expensive repairs. This is the normal program that is also being pursued by Canadian National.

With respect to the matter of lay-offs, I know the hon. member will have heard the comments of the Parliamentary Secretary to the Minister of Labour (Mr. Leblanc) indicating our concern for the problem and our present attention to it. As the Minister of Transport (Mr. Lang) pointed out to the hon. member in his reply earlier in the House, the lay-off situation affecting the railways is in part due to the slowdown in the economy and a resultant modification in the use of cars. This sometimes means fewer maintenance forces to keep the fleet operative. The railways are forced to lay off where services are no longer required. It is apparent that the situation is a difficult one, but even under present circumstances the railways are able to satisfy the unusually high target for grain movement that they have been set this year by the Canadian Wheat Board.

OLYMPIC GAMES—LIMITATION OF CONSTRUCTION CONTRACTS TO QUEBEC COMPANIES—GOVERNMENT ACTION TO ELIMINATE DISCRIMINATION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Madam Speaker, I rise tonight to debate, not for the first time, a question pertaining to fair play for all Canadians. On October 28 I asked a simple question of the government House leader in his capacity as Acting Prime Minister. I asked if the government planned to investigate the allegations that only firms having their principal place of business in Quebec were allowed to bid on projects at the Olympic site in Montreal. The Acting Prime Minister (Mr. Sharp) replied that the government did not have administrative responsibility for the Olympic projects.

That answer is unacceptable, Madam Speaker, both to me and to the Canadian people. When the Olympic financing bill was before the federal parliament this House passed a bill allowing the federal government to advance a considerable amount of money from the federal treasury to enable COJO, the Olympic organizing committee, to get started. That same bill authorized the post office to issue a continuing series of Olympic stamps. Part of the proceeds from the sale of those stamps has been turned over to COJO. The bill also authorized the Royal Canadian Mint to strike seven sets of Olympic coins. Part of the proceeds from the sale of these Olympic coins is also turned over to COJO, and I might add that these stamps and coins are sold in every province of Canada and the two territories.

Moreover, there is an Olympic lottery in operation, where for $10 Canadians in all parts of the land can take a chance on becoming an instant millionaire. Here too, the tickets on the lottery are sold everywhere in Canada, not just in Montreal, and not just in the province of Quebec.

The mayor of Montreal tells us on frequent occasions that the sale of stamps and coins and Olympic lottery tickets will cover the cost of the Olympics, and that this will not be a repeat of the 1967 world's fair in Montreal when the Canadian people picked up the deficit for the fair. Madam Speaker, I do not believe this.

We know already that the 1976 Olympics will incur an enormous deficit, and we have already heard figures of the deficit that run as high as half a billion dollars. Be that as it may, Madam Speaker, the fact of the matter is that the Canadian people have been sold a bill of goods, that Canada is the host of the 1976 Olympics, and that the cost of the games should be borne by all Canadians.

Let us pursue the matter of the Canadian Olympic Games a step further and take up the question of security. We are told that several thousand men and women from the Canadian armed forces will be assigned to the Olympic site in Montreal and to other areas as part of the security arrangements for the games. In addition, the Department of Justice and the Solicitor General's department will be involved in security for the games, including the assigning of thousands more people from the Royal Canadian Mounted Police and the immigration service.

It begins to look as though the tail is certainly wagging the dog in the matter of the games, if in fact the federal government is not in any way involved in the administration of them. As I mentioned earlier, I do not accept that as the truth, nor do the rest of the people of Canada who are paying the cost of the 1976 extravaganza.

In spite of the fact that the province of Quebec changed the name of its provincial legislature to the national assembly, it is no less a province of Canada than is Ontario, and Quebec is no more a sovereign state than the province of Ontario. If Quebec is a sovereign state, Madam Speaker, perhaps the Prime Minister (Mr. Trudeau) can tell us how any foreign state can enter into international agreements that involve the armed forces of Canada, the Royal Canadian Mounted Police, the Royal Canadian Mint, the Canadian Post Office, or strike-bound, rather what is left of it, and the other federal departments that are presently involved in the 1976 Olympic Games in one way or another.

The tendering regulations employed by COJO were not drawn up by that corporation. They are provincial regulations, and that means that the province of Quebec does not recognize the right of companies having their main offices in Ontario or other provinces to pour cement at the Olympic site, or to sell furniture to the games committee, or to have any meaningful, gainful part to play in the construction or outfitting of the Olympic facilities.

● (2220)

In other words, we are expected to pay for the Games and we are encouraged to help pay for the Games not only by the Olympic Games committee, the province of Quebec, and the city of Montreal, but by the federal government. However, we in other provinces should not expect to be allowed to bid on any Olympic projects. Bidding is restricted to companies having their principal place of business in the province of Quebec, and we are told that this is right and proper since the federal government is not responsible for the administration of the Games. This is the Trudeau just society. This attitude on the part of the federal government cannot be condoned.

We are entitled to a better answer than the one offered by the government House leader. This "hands off" attitude

was reflected in the federal government's refusal to convene a full-scale investigation into the allegations of fraud in the letting of contracts for the first phase of construction at the Olympic site. I ask, in the name of my constituents, how long does the federal government intend to keep silent on the appalling mismanagement of the Olympic Games administration?

The matter of discrimination against Canadian contractors and suppliers outside Quebec by the Olympic Games committee is only a part of the broad question of mismanagement of the Olympic Games administration, and I suggest that the federal government cannot get off the hook simply by stating that it is not responsible for the administration of the Games.

When we debated the Olympic financing bill we were told by members on all sides of the House that the 1976 Olympic Games would be a sort of catalyst to draw Canadians closer together, sharing the burden of getting the games site ready and sharing in the honour and glory of the best Olympic Games ever. Because of the administration of the Olympic Games it has had the opposite effect. It has had a divisive effect, fed by the greed of Quebec contractors and suppliers, the deceptive impostures of Liberalism, and by the high and mighty attitude of COJO officials and political figures in the province. I am asking for a more suitable answer to my question of October 28, Madam Speaker, and I will continue repeating my question until I do get a plausible answer to this enigma which deprives the majority of Canadian contractors of their basic rights.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member has asked questions in this House relating to which firms are being invited to bid on construction contracts at the Olympic site in Montreal. On October 28 the Acting Prime Minister, (Mr. Sharp) stated that the federal government does not have administrative responsibility for the Olympic projects.

Furthermore, in answer to questions from members of this House, the Prime Minister (Mr. Trudeau) has restated the position of the federal government, in that it would not pick up any possible deficit on the Olympic Games, and that the federal government has not been asked to do so by either the province of Quebec or the city of Montreal. We, therefore, have no involvement in these construction activities.

Construction on the Olympic site is the responsibility of the city of Montreal. It is the city which is responsible for the tender calls and the allocation of contracts which are monitored by the province of Quebec.

It is true, I might add, that aid has been extended to the Games through legislation of this House relating to the stamp program, the Olympic coins program, and others, but the terms of that legislation do not permit the Government of Canada to supervise or intervene in the process of tendering on the Olympic site.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, November 5, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

SUGGESTED ACTION TO PREVENT GREENPEACE ORGANIZATION FROM INTERFERING WITH SEAL HUNT—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43, on a matter of urgent and pressing necessity. The intention of the Greenpeace organization to interfere with the Newfoundland seal hunt and so cause wilful destruction to the pelts promotes the need for action by the government of Canada. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House recommends that the government initiate preventative measures against harmful action to the species and particularly to deny the organization such aircraft licences as they apply for.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

USE OF ANTI-INFLATION PROGRAM TO REDUCE EMPLOYMENT IN ATLANTIC REGION—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Having received complaints from Halifax, Nova Scotia, that the federal government is in the process of using the anti-inflation program as a means of reducing civilian positions in the Atlantic region's defence industry, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the House deplores the action of government in seeming to use the Atlantic region as an example to the Canadian public on how to initiate wage controls by reducing staff and restraining any meaningful collective bargaining in the public service.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

HOUSING

PROPOSED PAYMENT OF SUBSIDY FOR PURCHASE OF MODERATELY PRICED HOUSE—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I rise under the provisions of Standing Order 43 to introduce a motion on a question of urgent and pressing necessity.

Considering that the Assisted Home Ownership Program announced by the Minister of Urban Affairs grants substantial subsidies to builders of rental housing and that low income people are by this very fact at the mercy of builders and owners of such accommodation who are really the ones that benefit from such a program, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House recommend to the minister to amend the Assisted Home Ownership Program by providing the payment of subsidies for low rents to tenants with a modest income so that they may be able to rent in the building of their choice thanks to the additional income this subsidy will represent. This measure will make low income people the true beneficiaries of the assisted rental program.

● (1410)

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

ENERGY

REQUEST FOR REPORT ON PROGRESS IN IMPLEMENTING CONSERVATION MEASURES—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that Canada has been condemned internationally for our failure to implement an effective program of energy conservation in a report of the International Energy Agency which states: "there appears to be a substantial gap between principle and practice . . . that the Cabinet appears to have accepted the goal of conservation without recognizing the need to implement the goal with specific actions", and considering that in 1974 the industrial nations reduced their energy consumption over the previous year by 1.7 per cent while Canada actually increased its consumption by

7.8 per cent, I move, seconded by the hon. member for Regina East (Mr. Balfour):

That this House direct the Minister of Energy, Mines and Resources to (1) report to this House on the progress made by the Office of Energy Conservation in setting and implementing sectoral goals for energy conservation in Canada, and (2) establish an energy conservation review agency to monitor and report on the success of energy consumption cutback measures across Canada.

Mr. Speaker: A motion under Standing Order 43 requires the unanimous consent of the House.

Some hon. Members: No.

Some hon. Members: Agreed.

* * *

AIRPORTS

PROPOSED DELAY IN DECISION TO CLOSE CERTAIN NORTHERN AIRPORTS—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to move under Standing Order 43 a motion on a matter of urgent and pressing necessity. It has reference to plans by the Ministry of Transport to close all air traffic in and out of the settlements of Arctic Bay and Grise Fiord. The population of these settlements, totalling some 500 people, depends almost exclusively on air freight for all its supplies and any closure would destroy the settlements. The pending decision by the Ministry of Transport appears to be a bureaucratic misunderstanding of the worst order. I move, seconded by the hon. member for Mackenzie (Mr. Korchinski):

That any decision by the Ministry of Transport on northern airport closures be cancelled and a little common sense prevail in the above-mentioned department.

Mr. Speaker: Is there unanimous consent to the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

REQUEST THAT MINISTER ESTABLISH FAIR SYSTEM OF LICENSING TAXIS SERVING MALTON—MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I too have a motion under Standing Order 43. In view of the continuing problem of licensing taxis at the Toronto International Airport, Malton, which over the years has resulted in incidents of violence at the airport among the drivers, and in view of the recent negotiations among the federal, provincial and municipal governments involved to establish an effective system of licensing the taxis to and from the airport and thereby bring order to the industry, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That the Minister of Transport take immediate steps to enter into co-operative arrangements with the government of the province of Ontario and the various municipalities in the area who are concerned to establish a fair and equitable system of licensing taxi cab service to and from Malton Airport.

Mr. Speaker: Order, please. Is there unanimous consent in respect of that motion?

[Mr. MacDonald (Egmont).]

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

SALE OF NUCLEAR REACTOR TO ARGENTINA—RENEGOTIATION OF COMMERCIAL CONDITIONS—PROVISION IN CONTRACT FOR INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Recognizing that the government of Canada has already indicated its attempt to renegotiate the safeguards aspect of the CANDU contract with Argentina, is the AECL renegotiating the commercial or the pricing aspects of this contract in view of the indications that its cost estimates may have been low to the extent of 100 per cent or $160 million?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, both parties to the contract, Italimpianti and AECL, have become concerned about the impact of inflation in Argentina and in our two countries with regard to the cost of that particular contract and have served notice officially to the Argentinian agency to renegotiate the commercial terms.

Mr. Stanfield: Mr. Speaker, can the minister tell the House whether there were any adequate provisions in the original commercial contract covering the possibility of inflation and in general terms what those provisions were.

Mr. Gillespie: Mr. Speaker, there were provisions providing for escalation of inflation. With the benefit of hindsight it can be seen that those provisions were less than adequate in respect of the rate of inflation the three countries involved have experienced. For that reason, we have gone back to the Argentinian authorities and have said we wish to renegotiate the contract in the light of quite changed circumstances.

SALE OF NUCLEAR REACTOR TO ARGENTINA—AMOUNT OF LOSS UNDER ORIGINAL CONTRACT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wonder how seriously the Government of Canada expects to be taken with regard to attempted sales of CANDU reactors when one year it tries to reopen the contract with regard to safeguards and the following year with regard to pricing or the commercial aspects of the contract. Can the minister tell the House whether, if the contract were carried out on its present basis, AECL would lose between $100 million and $160 million on the deal?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to make the point that I referred to, namely changed circumstances. The commercial terms of the agreement were negotiated be-

tween 1972 and 1973 significantly before the major impact of oil prices and the inflationary pressures throughout the world. Second, I should like to make the point that notice was served on the Argentinian agency that we wished to renegotiate the contract some months ago during the period in which we were in fact renegotiating the safeguards agreement.

SALE OF NUCLEAR REACTORS—ROLE OF CANADIAN INSPECTORS UNDER SAFEGUARD AGREEMENTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary on the general question of nuclear safeguards is directed to the Secretary of State for External Affairs. Because the International Atomic Energy Agency will have a staff even next year of only 145 people, which is obviously insufficient to do a proper safeguard inspection job around the world, is the minister reconsidering the policy he enunciated yesterday that our own Canadian inspectors will be utilized only after the IAEA inspectors uncover some infractions of the Canadian guidelines. Am I misinterpreting what the minister said yesterday?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I think I ought to clarify my comment of yesterday to the effect that it would be the intention of the Canadian inspectors to ensure that the bilateral aspects of the safeguards agreement were inspected. It was not our intention to go over the same ground or to report upon inspections, or possible violations which had been uncovered, by the international inspectors. Our inspectors would be working to supplement the international team.

Mr. Speaker: A final supplementary by the hon. member for Northumberland-Durham.

SALE OF NUCLEAR REACTORS—SUGGESTED STRENGTHENING OF INTERNATIONAL ATOMIC ENERGY AGENCY INSPECTION TEAM

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I think two points certainly deserve clarification because yesterday the minister clearly indicated that Canadian inspectors would be utilized only if IAEA inspectors uncovered infractions in another country. I gather he is backtracking on that. If so, that is quite welcome.

● (1420)

May I then ask him whether this government has made any representations or specific proposals to the other nations of the world, either in the conference of suppliers that is now taking place in London or in any other way through the United Nations or perhaps directly to the IAEA, that the IAEA inspection staff be strengthened immeasurably over the very insufficient personnel they now have?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I had not intended to create the impression which my hon. friend inferred from my comment yesterday and I am thankful for the opportunity to clarify this situation for him and other members of the House. It is my recollection, and I want to check this, that we have not made any specific representations to increase the international staff, but I am sure that the Canadian position is to support the international inspection agency to the point that it is able to do its work effectively. I will look into whether we will make representations on this point.

REQUEST FOR REPORT ON MEETING OF COUNTRIES SUPPLYING NUCLEAR MATERIAL

Mr. Allan Lawrence (Northumberland-Durham): My other question to the minister really boils down to whether he has any report to make to the House or to the Canadian public on the meetings now taking place in London.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker. At the moment the discussions are under way and there are proposals still under consideration. Until the conclusions have been reached I think it would be better not to go into the details.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—ALLEGED DECISION OF ROYAL INSURANCE TO CUT BACK ON SERVICES BECAUSE OF PROFIT GUIDELINES—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance which arises out of the very serious report that Canada's largest general insurance company, the Royal Insurance Group, which deals in automobile, property and casualty insurance has decided to cut back on its present service and planned expansion of service in the insurance field to Canadians as a result of its disapproval of the government guidelines in terms of profits. I should like to ask the minister if the government is looking into this specific case, and beyond that, what plans does the government have in mind to cope with the possible situation of other corporations providing goods and services which do not like the corporate guidelines and decide to cut back on those services to the people of Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will be glad to investigate the accuracy of the statement with regard to Royal Insurance. In general terms, I think it can be said that while the guidelines provide measures to restrain prices and profits, we are not proposing anything to compel anybody to stay in business. We assume that even within the guidelines they will do so, but, as I say, I have to see whether the anticipation that the hon. member has is founded on facts.

Mr. Broadbent: To be perfectly clear, is it the government's view that corporations which go on what could appropriately be called a strike against the public or against the government because of their rejection of the profit guidelines will not meet with any action on the part of the government to get them to provide at least the equivalent of the service they have been providing up to this point?

Mr. Macdonald (Rosedale): Mr. Speaker, I must say that I assume from the hon. gentleman's question that he is now concerned that the corporate sector is taking the restrictions very seriously and that the guidelines are putting pressure on that sector.

Mr. Broadbent: There is a loophole right there.

Mr. Macdonald (Rosedale): As I have said to the hon. member and to his colleagues previously, of course the guidelines themselves do not provide for withdrawal of services either by the employee group or by the employer.

ANTI-INFLATION PROGRAM—POSSIBLE EFFECT ON UNEMPLOYMENT IF CORPORATIONS CURTAIL SERVICES BECAUSE OF DISSATISFACTION WITH PROFIT GUIDELINES

Mr. Edward Broadbent (Oshawa-Whitby): It confirms the point that this is simply another loophole in the whole mish-mash of the plan which the minister has brought forward. I should like to ask him a related question because we are talking about a financial institution here. Given the fact that the curtailment of service from the largest insurance company of this kind will mean a curtailment of revenue, which in turn means a decline in the level of investment for the coming months which will lead to the creation of more unemployment, I should like to ask the Minister of Finance in particular whether he is not concerned that the declining rate of investment, which will be inevitable if other companies duplicate this, will lead to further unemployment which is already at the highest level in Canada in numerical terms since 1940.

Hon. Donald S. Macdonald (Minister of Finance): I would have to say, as I said at the start, that I would want to find out whether the leader of the NDP is in fact stating accurately the situation of Royal Insurance. If the hon. member is stating it accurately, of course any substantial withdrawal of participation in the Canadian economy on the part of either the employee or management side would not be in the interests of the economy as a whole. Our view is that all Canadians, either corporate organizations or individual employees, should co-operate with the government's program.

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[Translation]

ENERGY

DIFFICULTIES POSED BY CANDU PROGRAM—PROPOSED INQUIRY

Mr. Léonel Beaudoin (Richmond): Before directing my question to the right hon. Prime Minister, Mr. Speaker, I want to congratulate him for the straightforwardness he demonstrated last night on the state-owned network.

The November 4-11 week has just been officially opened as the Nuclear Responsibility Week by the Canadian nuclear monitoring group to obtain answers raised within the framework of the CANDU program concerning radioactive residue disposal, the difficult enforcement of safeguards, and the possible use of reactors by our customers for building atomic weapons. Could the Prime Minister indicate to the House how things stand now? Could he also indicate whether the government will respond positively to the suggestion that a board of inquiry be set up to study this matter and report its findings to the public?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member refers to a Canadian board of inquiry, Mr. Speaker, I must say that I do not see the need for it. The government policy is well known. As recently as yesterday, the Secretary of State for External Affairs stated again in the House that at a meeting of nuclear technology suppliers which was held hardly a few months ago, Canada had adopted an extreme position in favour of a full scope of safeguards. Unfortunately, we do not know yet whether Canada's example and views will be followed and adopted by other countries. On this point, however, we are willing to initiate a debate and provide more information concerning our policy.

As to the first part of the hon. member's question, I am grateful to him for supporting, whenever he can, government policies aimed at helping the Canadian economy as a whole.

* * *

[English]

AIRPORTS

DORVAL AND MIRABEL—GOVERNMENT ACTION TO INVESTIGATE GRANTING OF LEASES TO SKY SHOPS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Transport. I wish to ask him if he has now had the opportunity to review the information in respect of the lease held by Sky Shops Export Limited as set forth in the petition I tabled earlier and the documentation I sent to him yesterday, and can he tell us what action, if any, he has initiated?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I indicated yesterday that I had discovered certain facts in relation to the Dorval lease, and I put them on the record. I have since examined the case in relation to the lease at Mirabel, at least in a preliminary way. I find that among the tenders which were received three appeared for final consideration, and those three varied from one level of guarantee to another level of rate. In the case of Sky Shops, it was the second best guarantee and the second best rate. With regard to the other two, one was best in guarantee and lowest in rate. The other one was lowest in guarantee and best in rate. An interdepartmental committee representing several departments of government, together with airport officials and the provincial government, analysed the bids and decided that the Sky Shops bid was in fact the best, and accordingly the contract was awarded.

Mr. MacKay: Mr. Speaker, I hope the minister will have another look at this, but on a related matter I should like to ask him if the government is taking the position that the statement by Senator Giguère is the official position and nothing further will be done on this aspect.

Mr. Lang: Mr. Speaker, I am not sure which point the government takes any position on or what the hon. member is referring to. The part I have been looking at has

been the nature of the bids which were received at Mirabel and the logic behind the awarding of the extension to Sky Shops in Dorval at the time in 1972 when it was done. I indicated yesterday to hon. members that at that point in time Sky Shops held a lease at a fairly low return on gross revenues, 5 per cent, I believe, and had three years and seven months left to run at that rate.

In connection with obtaining a further five-year extension they went to much higher rates immediately for the remaining three year seven month period, as well as to a higher rate for the remaining five year period with, of course, the impending problem of a switch to Mirabel of international traffic, which is the only relevant traffic to the duty free shop operation. It was to be transferred over a period of time in the late seventies from Dorval to Mirabel. What I think was in error in the suggestions from the hon. member and the petition was that the rates thus resulting in Dorval were out of line with rates elsewhere. In fact, they compare very directly with rates in effect in Toronto international airport.

* * *

● (1430)

CONFLICT OF INTEREST

POSSIBILITY OF CONFLICT OF INTEREST BECAUSE OF SENATOR GIGUÈRE'S CONNECTION WITH SKY SHOPS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Prime Minister. I wonder if he has had a chance to discuss the matter with the Minister of Transport in light of the terms of reference which he laid down so carefully not long ago regarding conflict of interest. As I understand the situation, members of the other place are members of parliament although they are elected for life, the same as we are members of parliament.

Some hon. Members: Elected?

Mr. Woolliams: Appointed for life, although we are elected. Regarding the terms of reference on conflict of interest does the Prime Minister feel there has been a violation of the guidelines laid down on conflicts of interest?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not yet had time to read the statement made by Senator Giguère in the other place. Listening to the answers given by the Minister of Transport to the questions asked, however, it is not apparent to me that there has been a conflict of interest. I would be happy to entertain argument on that subject from the hon. member. I believe that the senator has offered to submit to any inquiry that the Senate wanted to have into his conduct. Of course, the guidelines proposed by the government apply to both houses. The hon. member knows the state of debate on that. The guidelines have been looked at by a committee of the House and I believe are now being looked at by a committee of the Senate. We have had no final report from parliament on the government's guidelines.

Mr. Woolliams: A final supplementary. May I put this question to the Prime Minister? In light of the facts now known to him, if an elected member of this institution had the same kind of business involvement in a matter of this nature—

Some hon. Members: Question.

Mr. Woolliams: I will come to the question and it is a serious question, if hon. members opposite will only hold their fire. I can understand their problem. They got a little upset. But I will come to my question. Reviewing the facts on that basis, would the Prime Minister say there had been a breach of the guidelines laid down in connection with conflict of interest?

Mr. Speaker: Order, please. The question is hypothetical. The hon. member for Prince Edward-Hastings.

Mr. Woolliams: Mr. Speaker—

Mr. Speaker: The hon. member for Prince Edward-Hastings.

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FINANCE

POSSIBILITY OF CHANGE IN GOVERNMENT'S ECONOMIC POLICY—REASON FOR PROPOSED TAX ON EXPORTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, a question for the Minister of Finance. Between now and the time when hopefully inflation may be reduced to a far more acceptable level, is it the intention of the government to maintain a policy of neither stimulating nor deflating the economy so that the economic recovery and reduction of inflation may have a reasonable chance of success?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that would be the policy in general terms, although I would have to say there is some anticipation that the export sector of the economy would recover in the early part of 1976. At that time we would have to be concerned that the government policies were not over stimulative in the light of the inflation objective. Subject to that, we would not be proposing any change to the present policy.

Mr. Hees: A supplementary question. Regarding the country's export business which we are so dependent upon, could the minister explain why the government proposes to introduce legislation in the near future imposing a tax on exports which will make it much more difficult for our hard pressed export industry to survive?

Mr. Macdonald (Rosedale): Mr. Speaker, the reasons are as set out in the white paper. Basically, it is because at a time when export profits may well be increasing it would be as unfair to firms selling to Canadians as it would be unfair to labour groups to permit one corporate group to recover profits beyond the guidelines. This is a measure, as I indicated to the hon. member for Qu'Appelle-Moose Mountain, we would be introducing to parliament to impose an export levy to level off such additional profits with the condition of making them refundable, principally for capital reinvestment in Canada.

Oral Questions

POSSIBILITY OF NEW MONETARY POLICY AND NEW BUDGET

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that there is general agreement that wage and price controls cannot succeed without profound monetary and fiscal reforms, will the minister be announcing a definitive monetary policy in the near future, and will a new budget be brought down soon indicating that the government is serious about giving leadership in the whole area of restraints and fiscal responsibility?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I responded on a number of questions, the monetary policy as set out by the governor of the Bank of Canada is the policy we would intend to follow for the future. I would not anticipate making a budgetary statement before Christmas and indeed, perhaps not for some time after that.

GOVERNMENT INTENTIONS WITH REGARD TO REDUCING EXPENDITURES

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question. If the government will not soon bring down a definitive budget announcing restraint and fiscal responsibility, will the Minister of Finance be making specific announcements in the near future indicating how the federal government will show leadership in the whole area of restraints by cutting and controlling government expenditure?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it is indeed the government's intention to review the expenditure proposal for 1976-77. I am confident that my colleague the President of the Treasury Board will be announcing to parliament at the time the estimates for that period are produced if not before, a number of changes we would propose in our spending proposal. I would hope at that time that, while these may involve some considerable political impact, the hon. gentleman and other hon. members will support us in the cuts.

* * *

HIGHWAY SAFETY

SUGGESTED PROVINCIAL ACTION IN REDUCING SPEED LIMITS AND MAKING USE OF SEAT BELTS COMPULSORY

Mr. F. A. Philbrook (Halton): Mr. Speaker, a question for the Minister of National Health and Welfare. In light of a recent report from the department of transport for Ontario which shows that more automobile drivers were killed last year while not wearing seat belts, 61.2 per cent, than the year before, 56.9 per cent, can the minister now prevail upon the Ontario and other provincial governments to introduce compulsory seat belt legislation along with reduced speed limits?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I had occasion to bring up that matter with my provincial colleagues when I visited the provinces last September. We had the opportunity of looking into it together; generally speaking, the health ministers are very favourable to such legislation. Of course, the decision would have to be taken by the provincial governments, but we figured that if it were passed as early as next year, we could save, in health costs, a minimum of roughly $75 million a year based on the experience in Australia, New Zealand, France and other countries.

[*Mr. Macdonald (Rosedale).*]

[*English*]

EXTERNAL AFFAIRS

ALLEGED ACTION OF DETROIT POLICE IN APPREHENDING CANADIAN CITIZEN IN CANADA—REQUEST FOR INVESTIGATION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs and I gave him notice of it. Will the minister inquire into an incident in the course of which it is alleged that one Charles Apaquash, a Canadian citizen was chased by the Detroit police from the Detroit end of the tunnel between Detroit and Windsor and was arrested by the Detroit police when he was one third of a mile into Canadian territory and was then handcuffed and taken back to Detroit by the Detroit police? If he finds that the facts are as alleged, will he make the appropriate protest to the authorities of the United States against this high handed invasion of Canadian territory and the rights of Canadians?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will certainly inquire into the situation mentioned by the hon. member. As the hon. member and other hon. members of the House know, there have been some incidents of a like character in the recent past. We have expressed to the government of the United States the serious concern we feel at incursions into Canada by police authorities in border communities. After I have examined this particular case, it may be necessary to follow up with further representations to the authorities of the United States.

● (1440)

* * *

INDIAN AFFAIRS

AVAILABILITY OF AGREEMENT ON LAND CLAIMS OF NATIVES OF JAMES BAY AREA OF QUEBEC

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. I gave him notice of the question. I understand that the government of Quebec will make public today, in Quebec, the proposed agreement between the government of Canada, Quebec and the Cree and Inuit of northern Quebec, in the James Bay area, regarding native land claims. Does the minister plan to make this draft agreement available to the House today, as well?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, in view of the intended action of the government of Quebec, I intended to table the document today. Unfortunately, as the presses in Montreal are still clanking, it is not available in both official languages. Possibly if it is available later in the

day, the House will give permission to table it; or, if not today, tomorrow. I ought to mention that we expect the agreement to be signed early next week, and shortly thereafter it will become the business of the House, since the document requires legislative action by the parliament of Canada.

* * *

MANPOWER

POSSIBLE LOSS OF EMPLOYMENT AS RESULT OF BANKRUPTCY OF ESSEX PACKERS—GOVERNMENT ACTION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of Manpower and Immigration. As Essex Packers of Hamilton were placed in receivership on Friday last, and hundreds of workers both there and at subsidiaries now face the threat of unemployment, can the minister advise if he has taken action to avert this situation which would cost these people their jobs and, eventually, the UIC an estimated $2 million in claims in the current year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this situation has been made known to the government. The Minister of Labour and I have been consulting on the matter and we will take every possible step to alleviate whatever distress the situation may cause.

* * *

AGRICULTURE

FARM MACHINERY—POSSIBILITY VERSATILE COMPANY WILL BE PURCHASED BY UNITED STATES FIRM—GOVERNMENT POSITION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Agriculture. It has to do with the recent offer by an American firm to purchase a controlling interest in a Canadian farm machinery manufacturing company, Versatile Manufacturing Company Limited. As Versatile has become one of the major competitors in the farm machinery business in Canada, even though 90 per cent of Canada's farm machinery supplies come from foreign sources, and knowing the minister's sympathy for Canadian farm machinery manufacturers, may I ask if the minister is concerned about the possibility of this transaction being concluded, and if he plans to ensure that this company remains in Canadian hands?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is aware that the matter must come before the Foreign Investment Review Board, which must decide if the transaction is in Canada's interest. I definitely am concerned, and have said so publicly. I have said that we import far too much farm machinery into Canada. We made this known to Secretary of State Kissinger, when he was here, and I have discussed this, as well, with the Minister of Industry, Trade and Commerce.

FOREIGN INVESTMENT

POSSIBLE TAKEOVER OF VERSATILE MANUFACTURING BY UNITED STATES COMPANY—GOVERNMENT ACTION

Mr. Don Mazankowski (Vegreville): A supplementary question, Mr. Speaker, I am disappointed that the minister did nothing more than express concern. I directed the question to him, in the interest of Canadian agriculture. May I now ask the Minister of Industry, Trade and Commerce if he is aware of the transaction, if it is before the Foreign Investment Review Board and if the government has specific recommendations to ensure that Versatile Manufacturing remains in Canadian hands?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, to the best of my knowledge the transaction is now before the Foreign Investment Review Agency. Given that fact, I think the hon. member will agree that further comment on my part would be premature until we have a report from the Foreign Investment Review Board. I have asked them to speed their consideration of this matter, so that it can be brought to me and, subsequently, to the government as a whole as quickly as possible.

* * *

AIR TRANSPORT

SUGGESTED UNIFORM REGULATIONS FOR COMMERCIAL AND PRIVATE CARRIERS

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of Transport. Will the minister explain why operating rules applying to private carriers like Panarctic aircraft are different from those applying to commercial carriers? As well, will the minister consider the feasibility of introducing one set of regulations for both private and commercial carriers, in order to create uniformity of air safety regulations?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. member may have missed some of the exchanges in the House in recent days. The practice has been to develop particular rules of safety for commercial carriers, but to apply different standards to completely private carriers, in view of the different nature of the operations and the necessity for protecting the public. I indicated in earlier exchanges that we are looking at how regulations apply to commercial and private carriers and that we had drafted proposals for new certification and new qualification. These are in the hands of interested people for comment. We shall be proposing some new regulations in due course.

CRASH OF PANARCTIC AIRCRAFT—POSSIBILITY OF CONFLICT OF INTEREST AS RESULT OF GOVERNMENT INTEREST IN PANARCTIC

Mr. Peter Elzinga (Pembina): A supplementary question, Mr. Speaker. Does the minister admit the possibility of conflict of interest in the Panarctic crash investigation, since MOT owns 45 per cent of Panarctic?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the fact of a government interest in Panarctic in no way impinged on the department in the investigation. Hon. members know that we have in hand a proposal for an independent investigating board. This matter has been raised in the House recently a number of times and, in due course, we will proceed with proposals in that regard. I have no hesitation in saying that the investigation of this particular case was very adequate indeed and in no way suffered by virtue of the government's involvement in the Panarctic operation.

* * *

FOREIGN INVESTMENT REVIEW BOARD

OPPORTUNITY OF INTERESTED GROUPS TO MAKE REPRESENTATIONS TO BOARD IN CASE INVOLVING VERSATILE MANUFACTURING

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is supplementary to that of the hon. member for Vegreville and arises from the ambiguous answer of the Minister of Agriculture. I direct my supplementary question to the Minister of Industry, Trade and Commerce. Apparently the federal government has not adopted any position on a foreign company's attempt to buy the remaining major Canadian manufacturer of farm implements, Versatile. My question is this: Is it possible for interested groups to make representations before the Foreign Investment Review Board, so that the views of those whoe manufacture and use farm machinery may be heard?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, may I distinguish between the formal application before the Foreign Investment Review Agency, and the attitude of the government and my own attitude, given my present responsibilities. My view is similar to that of the Minister of Agriculture, namely, in general, that it is regrettable that more farm machinery manufacturing is not controlled and owned in Canada. To reply to that aspect of the question, I hope we can hear from all parties concerned as to how this situation can be improved and rectified, and we will give it all the support we can. As to the application before FIRA, I am sure the hon. member will understand that it would be inappropriate for me, in the absence of a report from FIRA, to comment specifically on that application. But that is the only distinction I make.

Mr. Horner: A supplementary question, Mr. Speaker. The minister missed the purport of my question. I asked if any interested groups can make representation to the Foreign Investment Review Agency, not merely to the minister. I know the minister's door is always open to worthwhile, worthy suggestions.

Some hon. Members: Hear, hear!

Mr. Horner: Can interested farm groups and other interested Canadians make direct representation to the Foreign Investment Review Agency, Mr. Speaker?

Mr. Jamieson: Mr. Speaker, I would only reserve my answer to the point that I am not a lawyer and therefore do not know if I am legally correct. However, since this is a matter of public interest, since this application is being considered, I assume that any person can make his views known to the agency. The law passed by this House clearly made it mandatory for the agency not to discuss applications before it, by way of public discussion, before a decision is made. Since the decision has become public knowledge through other routes, presumably there is nothing to stop any person from indicating directly to the Foreign Investment Review Board or to me his views on these things. Indeed, some people have already done so privately.

* * *

[Translation]

AGRICULTURE

DAIRY POLICY—REASON FOR IMPORTATION OF DAIRY PRODUCTS—POSSIBILITY OF REDUCTION OF SUBSIDY

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Agriculture.

Yesterday, he made a statement on dairy policy. Considering this statement in which on the one side the minister said that producers will have to reduce their production and that, on the other side, he is favouring an increase in imports from 5 to 10 per cent of the needs, how can he explain to this House his position asking for a reduction in Canadian production while favouring imports? Can he also say whether the government intends to reduce subsidies of 26 cents a hundred weight paid annually on a period of ten years?

● (1450)

[English]

Hon. E. F. Whelan (Minister of Agriculture): The hon. member's question, his explanation of it, is at fault. What the dairy farmers of Canada actually have done has been to increase their production more than the amount of money we have to pay them for subsidy. They can continue to produce if they wish, but they will not get the subsidy on it. They will not get any more money than I have. I told them last April that I had enough money for 100 million hundredweight of industrial milk. They have increased production to a point at which it appears they will have 111 million hundredweight of milk which is over the amount they had set and agreed upon. I met with them at noon today. The amount of cheese that is allowed to enter Canada from foreign countries is a matter of deep concern to them and we are discussing that question further. But that is according to the pattern which has developed over the last number of years concerning the historical right to that share of our domestic market.

* * *

LABOUR CONDITIONS

POSSIBILITY OF INCREASE IN MINIMUM WAGE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Labour. I would ask him whether, in view of the government's concern about the plight of low income Canadians as a result of the sharp

increase in the cost of living, consideration is being given to increasing the federal minimum wage payable to this group of Canadians who are largely unorganized and who have virtually no bargaining power to ensure protection against increases in costs as most other Canadians will be getting.

Hon. John C. Munro (Minister of Labour): The hon. member may have noted that my colleague, the Minister of Finance, announced last week that the government upped the lower limit of allowable increases irrespective of the guidelines—

An hon. Member: That's not the question.

Mr. Munro (Hamilton East): It is related to the minimum wage. Let me answer the question. It permits it to be $3.50. Below that, no guidelines apply. Guidelines would apply above $3.50 an hour which is a significant indication, I would think, of what we feel should happen in the economy at large as far as low income groups are concerned. As far as the minimum wage is concerned, making aspects of that mandatory, we are looking at the whole situation of minimum wages very closely now.

Some hon. Members: Oh!

Mr. Munro (Hamilton East): Let me finish. We have also had a meeting of labour ministers, federal and provincial, where this was discussed in terms of minimum wage and how the provinces will respond right across the country to any increase in the minimum wage. Certainly there was, I think, beneficial and constructive discussion with respect to the minimum wage. I hope to have something to announce in the short term future.

Mr. Orlikow: In view of the fact that the people who get less than $3.50 an hour are largely employed by small employers, there are no unions; they have no bargaining power, I ask the minister how these people will get the increase which is suggested by the Minister of Finance except through increases in minimum wages by both the federal and the provincial governments. Did the minister in his discussions with the provinces (a) suggest to them that the federal government was prepared to increase the minimum wage for those who come under federal jurisdiction, and (b) urge them to give a similar increase to workers who come under provincial jurisdiction?

Mr. Munro (Hamilton East): Obviously, I wanted to discuss it with the provinces first. Whatever the federal government does affects only 10 per cent of the work force under federal jurisdiction so naturally if we want any change in the minimum rate to have any impact at all we want the provinces to come along. That was the purpose of the discussions. I have already told the hon. member that I shall have more to say about the minimum wage at a later stage. With reference to his remarks concerning the $3.50 an hour, he is quite right; there is nothing mandatory with respect to that, but for workers who are unorganized and receiving less, it seems to me it is an opportunity for the trade union movement to do something in terms of organization and otherwise to bring those workers up to that level.

[*Translation*]

THE CANADIAN ECONOMY

PROPOSED ADOPTION OF MEASURES TO RESTRICT HARMFUL ADVERTISING

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to direct my question to the Prime Minister.

Since advertising is a major factor in increasing the cost of living, as it urges people to live beyond their means, can the Prime Minister tell the House if the government is considering adopting any measures to restrict advertising which is responsible for over-spending?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is bringing up a very important point, Mr. Speaker. The government had in the past the opportunity to study certain aspects of this problem. I will tell the hon. member that, for the time being, we do not consider it helpful to approach the inflation problem the way the hon. members did, and this is for a very simple reason, namely that Canadian resources are at present under-used. There is more unemployment than we would like to see and, consequently, we do not wish to reduce the demand for Canadian products which effectively exists in our economy. My reply, however, is on a short term basis. The hon. member's suggestion remains very valid. I personally agree with the hon. member that on a long term basis we should try to decrease excessive demands for unnecessary products.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

DEVELOPMENT OF LAND USE POLICY—GOVERNMENT POSITION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister of the Environment and it has to do with a comment she made recently with reference to land use policy. Would the hon. lady tell the House whether in fact the government has a land use policy and, if so, when such a policy might be made known to the House?

Hon. Jeanne Sauvé (Minister of the Environment): I made no promises that there was a land use policy forthcoming. What I did say was that I had been given the responsibility by the Prime Minister to discuss with the provincial ministers how we could get together in order to discuss the problems related to the elaboration of a land use policy. This, I am doing. While recognizing that such a policy will be implemented largely by the provinces, I do feel the federal government can and should take the lead in bringing the provinces together to identify the problems we face.

Oral Questions

INDUSTRY

FAILURE OF MICROSYSTEMS INTERNATIONAL—PROPOSED INQUIRY

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to address a question to the Minister of Industry, Trade and Commerce, this being my first opportunity of congratulating him on his new portfolio. Has he now had an opportunity of reviewing the Microsystems International situation and can he advise the House whether or not, after observing that the federal government had $36.5 million invested in it, which was lost, he is in favour of having a public inquiry or a review by the appropriate committee of parliament into the matter?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): On the latter point, I would presume it is within the purview of parliament itself to review it. I have been given a briefing, which is, I believe, substantially the same as was provided to my predecessor and by and large to the House but I have not really had an opportunity as yet to go into the matter in detail.

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OLYMPIC GAMES

DIFFICULTIES IN PREPARING FACILITIES—POSSIBLE ALTERNATIVE PLANS FOR HOLDING GAMES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Prime Minister. In view of the tremendous problems officials in Montreal appear to be facing in preparing the facilities for the Olympics, can the right hon. gentleman tell the House whether the COJO officials are still planning to hold the Games in Montreal as scheduled and, if not, what alternative plans there might be?

Right Hon. P. E. Trudeau (Prime Minister): I have heard absolutely nothing to the contrary from any person in authority in Montreal or elsewhere.

● (1500)

Mr. Woolliams: On a point of order, Mr. Speaker, I should like to raise the same point that I raised yesterday. We ask questions of ministers and, properly so, ministers say that they would like to look into the matter. Under the new rules, I want to know whether a minister feels that he can remain silent unless he is recognized; otherwise we will never get the information. I asked the Minister of National Defence (Mr. Richardson) a very serious question with reference to an investigation by a certain branch of the armed forces of Canada, and he should by now be able to supply a very simple answer to the question I raised on Monday.

Mr. Richardson: On the same point, Mr. Speaker, if the hon. member will check his mail he will find the answer is in his office right now.

Mr. Speaker: Order, please. I do not know that under the guise of a point of order I can permit a dialogue to carry on back and forth with intervention from both sides. The hon. member has raised his point and put it on the record and there has been some sort of response. I do not know whether we can get into a point of order on this matter, and I do not think I can recognize the hon. member for Calgary North (Mr. Woolliams) on such point of order.

Mr. Woolliams: Mr. Speaker, we put verbal questions to ministers opposite, and if they are trying to hide the facts I can see why they want to communicate with us indirectly or confidentially. I asked this question in open forum in this legislature. If these new rules are going to be used to silence the opposition and take away the tools we have to get prior information, then we had better take another look at them.

Mr. Speaker: Order, please. With all due respect to the point raised by the hon. member, the fact is that the change of rules has nothing to do with the point he has made. The different procedures that are used during the question period are evident; they have to do with the time that the question period begins and ends and the elimination of points of order during the course of the question period.

The hon. member made the point that when he asked a question of a minister, the minister replied that he would have to take the matter under consideration. Does this mean that the following day or on some subsequent occasion the minister must be recognized independently to answer the question and so take up the time of the question period still further? Or would the hon. member who asked the question originally have to be recognized to ask it of the minister a second time? It would seem to me that this has nothing to do with the new procedures. I do not know whether the point can be resolved at this time, but if there is a disposition on the part of the House leaders to make representations in this regard, I would be only too pleased to hear them.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. BROADBENT—ACCESS TO TRANSCRIPT OF PROCEEDINGS OF ROYAL COMMISSION ON CORPORATE CONCENTRATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a question of privilege which relates to the activities and reports of the Royal Commission on Corporate Concentration which began its hearings in the city of Ottawa on Monday. At the time the commission was set up, we in the New Democratic Party said that it was not necessary, that what was really required was government legislation on the question of corporate power. However, in good faith we made a submission on Monday to that commission.

As a result of the attitude taken by the commissioners, a good part of which horrified the members of our party in terms of the restrictive view that they had of their own task, we requested at the earliest possible instance a transcript of the proceedings of that day to form our own judgment as to what was said in precise detail, so we could

therefore take appropriate political action during the last couple of days in this House of Commons. However, we were informed by the commission that it was not possible to supply a transcript until Friday of this week.

At the same time, we were referred to Nethercut and Company, a private firm engaged in providing technical assistance in the production of transcripts, and they too said that such transcript could not be made available until Friday. We were prepared to accept that on the assumption that this ruling would hold for all members of parliament. However, I learned today that a transcript was provided to the Prime Minister (Mr. Trudeau), or at least to the Prime Minister's office, this morning, some two days ahead of the time that it would be made available to other members of parliament.

As a member of this House, I submit that this infringes upon not only my rights and privileges as a member but also those of all members who may well have wanted to respond as we do in what we regard as a responsible and political way. I repeat that the transcript has been made available to the Prime Minister but has not been made available to other members of the House. Therefore, if Your Honour decides that I have a prima facie case of privilege, I will move that this matter be referred immediately to the House committee on privileges and elections.

MR. RODRIGUEZ—COST OF TRANSCRIPT OF PROCEEDINGS OF ROYAL COMMISSION ON CORPORATE CONCENTRATION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise on a question of privilege which I believe affects all members of this House and is relevant to the issue raised by my leader. As we are all aware, earlier this year the government established a royal commission to investigate corporate concentration in Canada. This commission has begun its hearings and I telephoned the commission this morning to request the minutes of its hearings. I was told that the minutes would cost 25 cents per page and would only be available after a week. I also understand that the commission will not be making copies of the many briefs presented to it available to members of this House, and is instead suggesting that people presenting the briefs should spend the money to make them available.

These hearings are extremely important to members of parliament for many reasons, but primarily to enable us to evaluate whether the exercise is worth the expenditure by the government, and secondly to gain any information which might become available on Canada's power structure. It is vital that the members of this parliament have rapid access to this sort of information if we are to be able to determine the quality of the work done.

Since my leader has raised this question, I also wonder whether the Prime Minister (Mr. Trudeau) paid 25 cents a page for his copy of the minutes. If I have a question of privilege, Mr. Speaker, I am prepared to move that this matter be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: Order. In order to give careful consideration to the representations made by both hon. members on the point, I propose to reserve decision on this matter for a short time. It seems to me that while both hon. members have certainly put forward a worth-while suggestion regarding improvements that ought to be adopted in the procedures of the royal commission vis-à-vis its relationship with members of parliament. I do not know whether the converse is true, that the failure of the commission to serve well the request or requirement of members of parliament constitutes, to that extent, such an interference with the ability of a member to discharge his duties that it raises a prima facie question of privilege.

However, it is certainly worth while to put this representation on the record, and in order to be absolutely clear on the precedents, I would prefer to reserve the matter for 24 hours, if that is agreeable.

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[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Sixth report of Standing Committee on Miscellaneous Private Bills and Standing Orders—Mr. Loiselle (Chambly).

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

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REGIONAL DEVELOPMENT INCENTIVES ACT

AMENDMENT TO EXTEND CERTAIN PROVISIONS TO DECEMBER 31, 1981

Hon. Marcel Lessard (Minister of Regional Economic Expansion) moved for leave to introduce Bill C-74 intituled "An Act to amend the Regional Development Incentives Act".

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

* * *

[*English*]

DIVORCE ACT, 1976

MEASURE TO REMOVE MATRIMONIAL OFFENCES AS GROUNDS FOR DIVORCE

Mr. Andrew Brewin (Greenwood) moved for leave to introduce Bill C-415, respecting divorce.

Some hon. Members: Explain.

Mr. Brewin: Mr. Speaker, this bill proposes a fundamental change and reform of our divorce law. The present grounds for divorce are a series of matrimonial offences. The bill proposes to substitute the irretrievable breakdown of marriage as the ground for divorce. The bill provides the presumption of breakdown if the parties have remained separated for one year. It provides that no divorce shall be granted for two years after the date of marriage except by special order of the court.

It provides, further, that the children and spouses of the marriage shall be assured of adequate maintenance before

the divorce is granted. This bill is based upon a working paper of the Law Reform Commission of Canada and upon the Divorce Reform Act, 1969, of Great Britain.

● (1510)

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

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BUSINESS OF THE HOUSE

ADJOURNMENT ON NOVEMBER 10 AND 11

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, as members of the House are aware, there has been agreement that the House will not sit on Monday, November 10, the day before Armistice Day. I would, therefore, move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the House shall not sit on November 10, 1975; and

That on the first ten sitting days, commencing November 12, 1975, excepting Fridays and allotted days pursuant to Standing Order 58, the House shall not adjourn or commence its evening interruption, as the case may be, until 6:30 p.m. and, on any Thursday affected by this order, private members' business shall be taken up between 5.30 p.m. and 6.30 p.m.

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

Motion agreed to.

* * *

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

CONCURRENCE IN THE 6TH REPORT OF COMMITTEE

Mr. Bernard Loiselle (Chambly) moved that the sixth report of the Standing Committe on Miscellaneous Private Bills and Standing Orders, presented to the House today, be concurred in.

[*English*]

Mr. Speaker: This motion can only be considered with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

[Mr. Brewin.]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,604, 1,895, 3,180 and 3,193.

[*Text*]

UNITED STATES OFFICIALS IN CANADA

Question No. 1,604—**Mr. Beatty:**

Has the government any knowledge of the presence of any officials of the American Government stationed in this country, except for those people listed in the October 1974 Diplomatic Corps Directory published by the Department of External Affairs or members of the United States Armed Forces and, if so (a) what are their names (b) where are they stationed (c) what are their responsibilities (d) for what organization do they work (e) on what date were they first stationed in Canada?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of External Affairs is concerned: The government is aware of the presence in Canada of all foreign diplomatic and consular personnel in Canada, including those of the United States of America, whose presence is required to be notified by a sending state to a receiving state in accordance with international law and custom. The names of the diplomatic and consular representatives and of national representatives to ICAO appear in the departmental publication, "Diplomatic Corps and Consular and Other Representatives in Canada". The names of the members of the administrative and technical staff of the embassy do not appear in this publication, but are on record in the department. The Government would agree that the names and job titles of these support personnel could be made available to those members of the House who wish to inspect them, although it is not routine for the Government to publish them.

In so far as the Department of National Revenue is concerned: While this Department does not maintain any official record of United States officials stationed in Canada, we are aware that there are 93 United States Customs employees and 46 United States Immigration employees located at various points in Canada at the present time. (a) We do not have information concerning the names of these employees.

(b)

Airports	U.S. Customs	U.S. Immigration
Vancouver	8	6
Winnipeg	1	1
Toronto	51	21
Montreal	33	15
Ferry Docks		
Victoria	–	2
Prince Rupert	–	1 (part time)

(c) They are engaged in Customs and Immigration preclearance of people and baggage moving from points in Canada to destinations in the United States. (d) We have no information as to the date on which they commenced their tour of duty in Canada.

CERTIFICATE OF IDENTITY STATISTICS 1960-74

Question No. 1,895—**Mr. Rodriguez:**

1. In each year 1960 to date, how many applications for certificates of Canadian identity were (a) received by the Passport Office (b) refused on security grounds or for reasons not disclosed to the applicant "for reasons of public interest"?

2. For the same years, how many such certificates were granted?

3. For the same years, how many applications for Canadian citizenship were (a) granted (b) rejected on security grounds or for reasons that were not disclosed to the applicant "for reasons of public interest"?

4. For the same years, how many individuals were (a) refused entry to Canada (b) deported on grounds for reasons of national security?

5. For the same years, how many individuals were served certificates designating them as risks to national security?

6. For the same years, how many applications for landed immigrant status were refused for reasons of national security?

7. For the same years, how many individuals seeking to enter Canada as refugees were refused entry for reasons of national security?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of External Affairs and Secretary of State as follows: 1. (a) Information not available. (b) See table below: Certificates of Identity Refused. 1960, not available; 1961, not available; 1962, not available; 1963, not available; 1964, 1; 1965, 4; 1966, 5; 1967, 4; 1968, 1; 1969, 1; 1970, 1; 1971, 2; 1972, 2; 1973, 2; 1974, Nil.

2. See table below: Certificates of Identity Issued;—1960, 6004; 1961, 4237; 1962, 2807; 1963, 2133; 1964, 1854; 1965, 1190; 1966, 1699; 1967, 1509; 1968, 1446; 1969, 1053; 1970, 1155; 1971, 1440; 1972, 1464; 1973, 1760; 1974, 1757.

3.	(a) Total Granted	(b) Refused for Reasons of Public Interest
1960	62,375	82
1961	56,474	107
1962	72,080	119
1963	69,468	70
1964	64,334	85
1965	63,843	87
1966	60,846	35
1967	59,968	60
1968	60,055	48
1969	59,900	–
1970	57,556	33
1971	63,669	8
1972	80,866	22
1973	104,697	11
1974	(Not available)	

The information from the Department of Manpower and Immigration will be forwarded to the honourable Member at a later date.

Motions for Papers

UIC—CORNER BROOK, STEPHENVILLE AND ST. ANTHONY, INVESTIGATIONS

Question No. 3,180—**Mr. Marshall:**

1. How many appeals were made by claimants in the jurisdiction of UIC offices in Corner Brook, Stephenville and St. Anthony in the years 1974 and 1975?

2. How many were judged (a) in favour of (b) against the claimant?

3. How many benefit control investigations were carried out by UIC offices in Corner Brook, Stephenville and St. Anthony and what was the percentage as related to claims made in the year 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The Unemployment Insurance Commission does not maintain separate statistics for Stephenville or St. Anthony. Geographically they are included in the Corner Brook District Office statistics. 1. Appeals to Boards of Referees—Corner Brook District Office: Calendar year 1974—total cases heard, 163; 1 Jan. to 30 June 1975—Total cases heard, 85.

2. (a) Calendar year 1974—Judged in favour of claimant, 5; 1 Jan. to 30 June 1975—Judged in favour of claimant, 3. (b) Calendar year 1974—Judged against claimant, 158; 1 Jan. to 30 June 1975—Judged against claimant, 82.

3. Claims Intake and Benefit Control Investigations: Claims Intake—Corner Brook—1974, Initial, 19,913; Renewals, 1,604; Total, 21,517. Benefit Control Investigations Finalized—1974, 1,793; Percentage of Investigations Finalized to Total Intake, 8.3%.

LEGAL FEES INCURRED IN IRVING CASE

Question No. 3,193—**Mr. Howie:**

What was the total amount of money expended to October 15, 1975 for legal fees and expenses for the prosecution of the Irving interests under the Combines Investigation Act and to whom was it paid?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Cost of New Brunswick Newspapers Prosecution[1]: William L. Hoyt, Q.C., Hoyt, Mockler, Allen Dixon & Godin, Fredericton, N.B., (Crown Counsel), Legal Fees, $115,526; Disbursements, $28,636. T. Joseph Scanlon, Dean of the School of Journalism, Carleton University, Ottawa, Ontario, (Special Assistant to Crown Counsel—Consultant), Fees, $9,100; Disbursements, $3,367. Winnifred Johnston, Saint John, N.B., (Witness), $630. Total $157,259.

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[1] Does not include travelling expenses and time of Department of Justice personnel and of officers on the staff of the Director of Investigation and Research.

[*English*]

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

MOTIONS FOR PAPERS

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council) Mr. Speaker, notices of motions for

the production of papers Nos. 55 and 57 are acceptable to the government.

Would you be so kind as to call notice of motion for the production of papers No. 53?

COPY OF REPORT BY MR. R. J. MEILER TO TREASURY BOARD

Motion No. 53—**Mr. Clark (Rocky Mountain):**

That an Order of the House do issue for a copy of the report by Mr. R. J. Meiler to the Treasury Board on matters pertaining to federal decentralization as a result of a contract with the government from June 1, 1974 to December 31, 1974.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): The terms of the contract of the Treasury Board Secretariat with Mr. R. J. Meiler called for the provision of advice on matters pertaining to federal decentralization. No written report was expected of Mr. Meiler. I therefore ask the hon. member to withdraw his motion.

Order discharged and motion withdrawn.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed, from Tuesday, November 4, consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I was waxing along last night about the minor attachment period.

An hon. Member: And you are waning today.

Mr. Leggatt: I hope to wane shortly. I was trying to bring to the minister's attention a problem in respect of the minor attachment period and the reason we should be thinking in terms of eliminating this period, making one attachment period which a claimant could understand without the assistance of a bureaucracy of lawyers, accountants and union officials.

An hon. Member: Don't include lawyers.

Mr. Leggatt: In any event, I think the minister misunderstood in that he thought I was seeking to reduce the minor attachment period to the existing attachment period. I am suggesting somewhere between the two, at a cost that would not be too significant in terms of the fund but would be worthy of looking at in terms of simplifying the whole program dealing with minor and major attachments to the working force.

This is an area that certainly should be investigated, because the eight-week attachment period and the time it takes for one to re-establish his major attachment to the work force is a disincentive to re-employment. I do not think anyone, no matter where he stands in respect of the principle of unemployment insurance, is in favour of provisions which are in fact disincentives to those seeking employment from actually going out and looking for work.

I was dealing with matters I felt had not been canvassed in this legislation but that I think should be dealt with if we are going to clean up and improve the act. One of the difficulties for a long time—other members have mentioned this—is in relation to the question of entrapment by the operation of the benefit control system. There is no doubt that any claimant who has had explained to him carefully what he must do to qualify would never be disqualified, particularly if he knows the rules, because he would then know the kind of answers to give the benefit control officer. What has happened in the past is that those who have not had jobs, and were perhaps not as bright as some others, were being disqualified, while the sharpies were being allowed to continue to receive benefits. That is a system we do not want to see prevail.

What is needed is a whole new approach in respect of benefit control officers. I am talking about a human approach and not an approach by an RCMP officer attempting to get a confession from a criminal, which is much like what has happened in the past. The change would require a humanistic approach to the claimant, because the weak are now suffering and the strong are getting away. I think that no one in this House wants that situation to continue. We need clear legislative guidelines in respect of benefit control officers, and I think a careful look should be taken in respect of previous occupations.

In terms of the question of suitability of employment under this act we have not had any change. There are guidelines which are exercised when someone who is unemployed has a special skill. They do not have to drop the skill level immediately but are held at that level for a time. I am not sure of the formula, but as a result of discussions with certain individuals I understand that in fact the formula varies to some extent.

● (1520)

In any event, there is a formula, for example, whereby an unemployed teacher does not have to accept a job for a period of time if there is no teaching position available. This may apply also to an accountant, a welder or someone else. It is my view that where work is available, people should accept the work. I do not think we need an unemployment system which perpetuates a class system. I see no reason, if I should be unemployed, why I should not be required to take work that is available.

There is dignity involved in work: some of it may not be something a person would want to do for the rest of his or her life, but I do not think there is anything against moving up and down in the skilled levels when people are unemployed. I do not see why, after a period of time at a skilled level, they should not be required to take available work. In other words, I do not see why the chief chef of a hotel should not be required to flip hamburgers at Macdonald's if he is unemployed. I do not see anything wrong with that. I think the minister should pay attention to these points in respect of the amendments.

Too much attention has been paid by this House and the media to alleged abuses of the fund. The facts are clear: the cost to the fund as a result of abuses is minimal. I listened carefully last night to the hon. member for Okanagan Boundary (Mr. Whittaker) who said that because of the deficit there must be something rotten in respect of the fund. The reason we have a deficit is clear: there is too much unemployment. There is nothing very complicated about that.

I defy the hon. member to cost the abuses and to tell me what percentage of the deficit is a direct result thereof. It is almost nil. I am not condoning this, because of course we should be as vigilant as we can in getting rid of any cheaters in view of the fact it destroys the fund and its credibility in the minds particularly of workers who are unhappy to pay for the cheaters. We in this party are just as unhappy as anybody else that there are abuses of the fund. The workers in the mill in my riding are not particularly happy to be paying for the guys the hon. member for Okanagan-Boundary suggests cheat. There is no reason why they should. So certainly we want to see enacted any kind of enforcement that will improve the operation of the fund.

The hon. member for Okanagan-Boundary put forward some views which probably are widely believed, but I think there is a misconception in this regard. He started off by saying:

> I think we must decide whether this should be a welfare scheme or an insurance scheme, Mr. Speaker. I submit it is really a welfare scheme. It has taught people not to work and, as a result, we are losing the work ethic in Canada.

That was the theme of his speech, yet he concluded with these words:

> I received a telephone call today from one of my constituents who is approaching the age of 65. He has paid into the unemployment insurance plan all his life. Now that he is about to retire, he will not receive any benefit.

He cannot have it both ways. There happens to be a welfare provision within the fund. He wants to retain that but does not want to call it a welfare fund. There is a clear inconsistency here. In terms of the sort of philosophical approach the hon. member for Okanagan-Boundary takes, there has to be some welfare provision within the fund; it simply cannot be a bald fund dealing only with common aspects.

I should like to deal briefly with the amendments the minister is proposing. One of the more contentious is the question of the additional time one must wait when a quit occurs. Initially I was sympathetic to that view, and still am. In respect of those persons who quit, as opposed to those who are laid off as a result of lack of work, there should be a significant distinction in the length of time they wait before they are paid their cheque. Quite frankly, I think that if you have two people working on the same job and one is fired because of misconduct, or possibly because of a drinking or some other problem, and the other person is laid off because there is lack of work, it is inequitable that both should have approximately the same length of time to wait before they receive their benefits.

The difficulty in respect of such a provision is that a tremendous number of people are not legitimately fired for misconduct. There is great potential for abuse. There is difficulty involved in extending the time for those who quit and thereby encouraging people to try to hold a job and at least to try to find another one while they are employed, rather than collect from the fund. I think this is a worth-while objective, but the difficulty is that no one has properly defined "misconduct", "just case" or the other qualification "refused suitable employment".

Even though there is a body of jurisprudence under the Unemployment Insurance Act, it is a vague generalization and there is still a bias in favour of the employer. In fact, the additional waiting period the minister seeks in the bill could work great hardship on some people. I have a tendency to favour the additional disqualification in the hope that we might have some tightening up, but I am not sure the minister is ready to tighten up the bias which naturally flows in favour of the employer. The reason for the bias in favour of the employer, first of all, is the attack by the media on the fund and the principle of unemployment insurance. This attack has been quite overwhelming. If one puts oneself in the position of either a benefit control officer, a board referee or even an umpire, one finds that the pressures by the press media and what one might see as the prevailing public climate create a tendency to see dishonesty where it does not exist, and a tendency to move against the person seeking the benefit because of the rumours heard about people skiing on Whistler Mountain wearing a "UIC Ski Bum" shirt. Therefore, there is a built-in bias in favour of the employer. So simply by extending the period of disqualification for benefits in respect of a quit, we do not cure the other half of the problem.

I submit the problem is that while there should be a distinction between those laid off and those who quit, we must take into account the other part, which is the question of defining fairly what is misconduct and what is just cause, and also correct the inbred bias in respect of the operation of the fund by the various officials within it. If that could be done, I would certainly support the principle the minister is attempting to place in the fund.

An incredible clause is the amendment to section 24(1) which deals with the reduction from 75 per cent of insurable earnings to 66⅔ per cent. The minister has not attempted to make any distinction between those with dependants and those with none. I cannot imagine a more regressive step under the bill. I submit that the financial savings probably are not large. I do not have the figures and I do not know if it is the hard-heartedness of the minister or whether there is a real financial reason for the change, but considering that we are in an era when we have adopted, I think, a pretty firm philosophy that those with dependants should receive more benefits than those without—and the minister must surely have supported the family allowance provisions which this government instituted some time ago—it is difficult to understand why we take this regressive and retrograde step of denying dependants proper and adequate support under the unemployment insurance fund. It is clearly a conservative, retrogressive step.

● (1530)

If we continue to say that because we increased family allowances some years ago, therefore they do not need it—and that was the logic that allowed this government to

take away the milk and bread subsidies—we will wipe out all the social benefits that we have been successful in achieving over the past 15 or 20 years. You cannot keep saying: We have this program, therefore we will cut the other program. It is very clear that in this country the rich continue to get richer and the poor continue to get poorer, and every time this kind of legislation comes before the House it displays the kind of hard-heartedness that I did not really expect from this minister, although I might have expected it from some of his colleagues.

The other amendment with which I wanted to deal briefly concerns coverage to the age of 65. Without going into it in detail, the justification is the improvements that have occurred in terms of retirement benefits, and therefore this provision is unnecessary. If ever there is still a group in our society which needs the help of all of us, which needs continuing benefits, which needs additional health care, housing and all the other things we should be providing, it is those who are 65 and over—and to take away this benefit is a callous approach. The savings to the fund are minuscule and the benefits are significant to those who have spent their whole lives working. So I believe this to be an unfortunate move. The decision not to grant advance pay under section 28 is, again, clearly a retrogressive step. It is no skin off the government's nose to advance pay so someone does not have to get emergency food vouchers to keep himself going. Again, it is a hard-hearted and callous approach to the act and certainly does not improve it in any way.

I think the coverage of LIP and LEAP sponsors is progressive. I think this is a mixed bag. There are amendments that certainly weaken the support. I think the changes in terms of maternity provisions are desirable, but of course the key problem in the bill and the key reason that I cannot support it is the change in the financial formula. If ever there was an abdication of the government's responsibility in terms of creating a society with full employment, here it is. To suggest that no longer do we rely on a 4 per cent unemployment rate, and to admit tacitly that in fact 7 per cent is a normal unemployment rate for this society, is a tragedy for Canada. It is a tragedy because before we know it, not only will governments but people will accept it; and that is where the permissive rot is starting.

We have heard a lot of talk here about the work ethic. I happen to be one who believes in it. I think we should do what we can to encourage the work ethic, but you do not encourage it when you have a government which says, "We will now think about 7 per cent as being a normal rate of unemployment rather than 4 per cent". You do not do it by having a government which does not give you unemployment projections when it is asked, and you do not do it by having a Prime Minister (Mr. Trudeau) who a year and a half ago said that maybe work is now becoming irrelevant and we are entering a new era, while shrugging his shoulders.

There is a certain consistency in that philosophy when you take that statement with the changes in the unemployment insurance fund and line up the two. That is where the abandonment of the work ethic is—it is on the government side. We are a party which believes in full employment. We believe in a guaranteed full employment act. We do not want unemployment. We have unemployment insurance because of the system we live under, but we still believe we can create a society where there is work for all. We want from each according to his ability, and to give to each according to his need.

When you say "from each according to his ability", that means everyone in our society has something to contribute to all of society. People tend to look at the NDP and say, "Oh well, you people are great as the welfare party. You have done fine on the social reform legislation and we recognize that". But they forget the second part of the socialist ethic which is absolutely key to our philosophy, and that is, from each according to his ability. This means full work for everyone, with everyone contributing and being a meaningful member of the society. It is that philosophy that has been abandoned, although I suppose it has never been accepted on the government side. That is why we oppose this legislation, because it still does not deal in any significant way with the question of unemployment.

• (1540)

[*Translation*]

Mr. René Matte (Champlain): Madam Speaker, I am indeed much interested in taking part in the debate on this legislation, more especially as it gives me the opportunity to make the necessary clarifications regarding the problem of unemployment insurance in general.

Let me first of all point out the speech made in the House by my colleague the hon. member for Kamouraska (Mr. Dionne). I think he has demonstrated in a very thoughtful and specific way the real problems raised by this legislation. As he was telling me, we have here a series of efforts on the part of public servants with a view to improving the legislation. But unfortunately, those public servants seem to know nothing about the actual problems faced by unemployment insurance claimants. Indeed, it would seem that the problem of unemployment per se is not understood as it should be. While we would all tend to expect a definite improvement following the amendments brought in by the minister, we must unfortunately realize that this is only attempted improvement and that finally nothing has been improved with the introduction of those amendments to the Unemployment Insurance Act. Apparently, this stems from the fact that there is hesitation about the very concept of unemployment, that is whether we should really help those who for any reason cannot remain in employment or whether the purpose of that Act is to help them, or still whether it is rather a fight to prevent the largest number possible of unemployed from receiving benefits.

Madam Speaker, when day in and day out one has to refer a tremendous number of cases submitted by unemployment insurance claimants, one does realize that it is often the second way of thinking which prevails, meaning that UIC officials are involved in a fight against the unemployed in order to prevent them from receiving benefits. Of course, this warps the fundamental principle enshrined in the Unemployment Insurance Act which is aimed at helping those in need since, even though they are unemployed, they must continue to live.

I understand that one should try to prevent any abuse from those who avail themselves of unemployment insurance benefits more or less honestly and even fraudulently. Of course, we understand this. There is no doubt that we would need to have a completely different system in order to eliminate the existing phenomenon of people seeking unemployment. Why does this phenomenon exist? It would take too long to go over all the explanations to show that it is caused by the deficiency of the system itself. We could partly solve this problem by accepting, for instance, to implement in Canada, an annual guaranteed minimum income plan such as that favored by the Social Credit Party, but since we have not reached that point yet and since the government seems determined not to accept any such proposal, we can only criticize, as objectively as possible, the minister's proposals concerning improvements to the existing Unemployment Insurance Act.

I therefore say that under this policy of trying to prevent people from receiving unemployment insurance when they do not necessarily have the right to do so, we are being utterly unfair towards those who really need and are truly entitled to benefits. Bill C-69 contains nothing which could completely eliminate the problems that stems from the present legislation, and we deplore it. On the contrary, the government seems to add even further problems. For instance, it was already difficult enough for people aged 65 to support all the pressures placed on them to prevent them from being truly unemployed when they were dealing with the unemployment insurance office. The government think they can solve the problem by saying: Well, people aged 65 or over will no longer be entitled to unemployment insurance benefits. Madam Speaker, others have said so before me, but I would like to repeat that this is an outrageous case of discrimination.

And until it is proven that the individual who is 65 can no longer work it is discriminatory to suggest that at 65 someone is ineligible for unemployment insurance benefits, and I think in addition that is a direct attack against the work of those people most of whom are now 65 and plain manual workers. Most of them started to work at the age of 15 which means that quite often they have been working for 50 years. So they paid unemployment insurance since the legislation came into effect. They cannot get it in their heads, no matter the explanations that could be given to them, that they are not entitled to unemployment insurance benefits if they are still capable of working, even though they may be on compulsory retirement.

So we are against this amendment which reduces the possibility of benefits from 70 to 65.

Another aspect of the bill seems to spell improvement, but it is so shy that it cannot be termed real improvement. It is the extension apparently granted to those who leave their job because of illness. We should have made here a much clearer, a much more precise improvement as, once more, it is already distressing enough to have to leave a job because of employment shortage or because you become physically unable to work and we should not worsen the situation of a person unable to work because of illness. It is already distressing enough to be ill and it should not be worsened by all kinds of petty annoyances concerning the initial period or the additional period. Madam Speaker, this is certainly a reason that should be readily accepted at the same level as regular unemployment insurance because any man obviously needs an income to live and when he is sick it is even worse and even more distressing. This is why I expected the minister to accept sickness as a valid motive—just as employment shortage is—and also to make it easier for pregnant women to draw unemployment insurance benefits. It would be a good way to recognize the contribution of women at a time when they encourage population growth in Canada.

Madam Speaker, as I said at the beginning of my remarks, when we see that this bill tries without any results to improve the legislation and that we can feel an underlying desire to further restrict those who claim unemployment insurance benefits, we must conclude that this bill is not satisfying and does not meet the actual interests of the people. And in a period like the present one where an unemployment problem really exists, it is not the right time to complicate the situation even more. And I repeat, the unemployed has to live.

Madam Speaker, if we really wished to improve the unemployment insurance legislation we should change its principle. It should rather become employment insurance. If we had a commission deeply committed to find employment, and possibly create some so that a person would not have to be left without income by reason of shortage, then it would be another matter. But in spite of all the suggestions made, instead of paying unemployment insurance benefits, it would now be possible to promote local initiative projects for instance. We could even transfer part of the moneys paid the unemployment insurance fund to local initiative projects, because it is always more meaningful to pay people for providing a service, for producing something. But not only does it appear that the amounts allocated to those projects will not be increased but, in keeping with the last guidelines set forth by the Prime Minister himself, even those expenses are to be cut down.

In that case, I would urge the minister to make up for the lack of employment—and therefore the necessity of paying benefits to a far greater number of unemployed—by simply providing incentives for job creation, one of which might be local initiatives. This would be a first step towards employment insurance instead of unemployment insurance as we now experience.

Madam Speaker, in concluding my short remarks, I would stress the fact that whatever the situation in our country now, a legislation should never punish those who have no option but to apply for unemployment insurance benefits. In other words, I would even say interpretations of the act should be more in favour of claimants rather than systematically aim at opposing them. For one, two or three unemployed workers who might appear to have a stretchable conscience when it comes to the Unemployment Insurance Act, there may be one who will be punished although he has an absolute right to benefits. Even if it were only to avoid unfair treatment for that claimant, I think the act should always be interpreted in its widest meaning. I make this recommendation for I am sure that all my colleagues here in this House also have had many times to deal with unemployment problems submitted to them by their constituents.

We are well aware of all the difficulties experienced by some claimants. Now that we try to improve the legislation

on unemployment insurance, we should be careful and try to give those who unfortunately rely on such panacea the possibility of enjoying a decent life with unemployment insurance benefits. We should not force people to struggle constantly against the legislation and the civil servants. We should rather take the first alternative, namely to really help the taxpayer.

Madam Speaker, unfortunately I do not expect this bill to bring any necessary improvements and I hope that the committee will propose serious amendments to this act so that the Unemployment Insurance Commission be really upgraded.

● (1550)

[*English*]

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, the amendments proposed by the minister are the result of a post mortem conducted after the 1972 election by the then nearly-defeated Liberal government. That took its toll and a minister was removed from responsibility at that time. I think they realized that the amendments they originally proposed and the hand-outs they thought the public was going to accept so gratefully were working against their interests as a political party. It took them several years to bring in the amendments. All the comments made during the election of 1972 have not stopped since, with constituents reminding members of parliament that something should be done to introduce amendments in the House of Commons to rectify things.

The public did not accept what it was told when the 1971 amendments were introduced, and it has not accepted it since. The public was looking for restraint at that time, and it is looking for it today. Unfortunately, the measures proposed by the minister will not bring about the changes the public wants and which it has pointed to on so many occasions. We have to bear in mind what the public has said and what it will say about these changes that have been introduced.

Unless the minister is prepared to accept some changes, the proposals he has made will not go far enough. They do not deal squarely with the problems. We are faced with the prospect of a $4 billion bill, whether it is paid by the federal government, the employer or the employee. That is a frightening amount. We often wonder what has brought about inflation. I think the public is aware that it is the measures we have introduced in this House. We do not restrain ourselves in many instances. Many of the measures introduced were simply vote-getters for the Liberals in 1972. The public is aware of the cost and it has had its share of socialism.

For years the New Democratic Party has been saying that what this country needs is socialism, but now we realize what socialism has done. It has brought us to our knees and given us the most stringent restrictions on labour and management to the point where they are feuding. We are told to tighten our belts, but the public has been telling us for years to tighten the unemployment insurance belt. It is not that they wish to deprive people who require it, because the public can be fair, but people are aware of what is going on in the community and in many instances know who is drawing unemployment insurance.

[Mr. Matte.]

But what is the point of singling out one individual and cutting him or her off benefits? What the people want is a clean sweep of the entire unemployment insurance scheme. It does not do an employee who has been contributing for years any good to see a fellow worker collecting benefits and living on his back. The person who has been working and contributing thinks he might as well have the money as see it go down the drain. This is an attitude of many people.

It is time we faced reality, Madam Speaker. Canadians should be told how much individuals have been drawing in welfare benefits. It is not unemployment insurance any more; it is unemployment welfare. This is what the government intended by introducing these measures. The minister says that because you draw old age security at age 55 you cannot have another form of welfare. That is an admission that it has become a welfare scheme. The public does not want that; what it expects is an honest proposal. The public agrees to insurance against unemployment, but not to a welfare scheme.

● (1600)

If you drive a car and have a series of accidents, your insurance premiums are raised. If there are repeated fires in your factory, clearly there is something wrong with your management and sometimes you will be refused fire insurance. Why should it be any different with unemployment? The present program encourages people to draw unemployment insurance. Why not reward people who reach age 65 without drawing unemployment insurance. I say that if you have not drawn unemployment insurance, you should be rewarded. That would give one an incentive to work. Or if a man has been unlucky enough to be fired, laid off—even if he quits—the prospect of reward would encourage him to look for work. We could incorporate several weeks of forgiveness so that if a man is without work for a short period it will not be held against him. Certainly, if a man has not drawn money from the scheme he should be rewarded. Let us be consistent. Why should the steady worker's contribution be as large as that proposed?

We should take stock. Certainly, if an individual has constantly drawn on the fund, something is wrong. Perhaps he is in the wrong job. Perhaps his seasonal work leads to seasonal unemployment. Perhaps something is the matter with the individual himself. Perhaps that individual should be encouraged to look for a job in another area and get out of a rut. Sometimes a man knows what will happen year in and year out. That should be changed. The program should provide incentive for a man to look for work. Unfortunately, the present bill does nothing of the kind.

As I have said, we should reward those who work steadily. I am not suggesting any hard and fast rule. Surely the officials of the department can examine this idea. For instance, if someone has contributed steadily for 10, 15 or 20 years and has not drawn on the fund, he should be encouraged not to quit his job. We hear of people who are encouraged to keep their jobs after they are 65. Why should every employee quit at 65? I know what the regulations will say about the age of claimants, but I suggest you can circumvent regulations of that kind.

I say that we should once more make this an insurance scheme. The public would be grateful if the government once more were to make the unemployment insurance scheme a true insurance scheme. People do not like the present welfare scheme. In smaller communities of the kind which I and others in this House represent you could advertise jobs in the local post office. There is no point in going to the local Manpower office for workers. I have tried, and 1½ years after my inquiry help has been offered. Often the employers in small communities are looking for workers, but the local Manpower offices do not know about these workers.

I say it is a waste of time applying at local Manpower offices. Frankly, I do not know why people bother asking the offices for help. Why not put up on a notice board at the local post office the list of those persons drawing unemployment insurance, together with their qualifications? Then an employer who wants a worker can go to the post office and see what kind of help is available. This would be a simple procedure. In rural areas particularly, employers might want to hire workers on a short-time basis. At least those workers would be off the welfare rolls.

Perhaps we could provide a lump sum payment as a reward to those who have not drawn unemployment insurance over the years. I agree that some cannot carry on without resorting to unemployment insurance. Why not set up an unemployment insurance loan fund from which the unemployed could borrow and avoid the stigma of being an unemployment insurance recipient? They could borrow from the fund to tide them over until the next job. There could be a payback scheme. We could use many methods.

The trouble is that the minister and the department will not listen when we say the program should be an insurance scheme and not a welfare scheme. The government says that we cannot manage without unemployment insurance, that we have on our hands a revolution of sorts, that the people are rebellious and to stop complaints we must provide them with huge unemployment insurance payments. Somebody must pay—that is my complaint—and the people doing the paying are not those doing the drawing. I know that many would not complain aloud, even if so inclined. They think: I am helping somebody else. But since the government is asking the public to restrain its wage demands, I say it must cut spending somewhere.

The present bill merely increases a tax. The government is doing this for its own political benefit. It is up to the government to relieve the pressure on the taxpayer, to relieve the pressure on those who work hard and owe everything to the honest sweat of their brow. The government must show leadership. Instead of asking the House of Commons to increase both the employer and employee contributions, the government should consider ways to reduce contributions and save some of this money. Why does it distinguish between employer and employee contributions? Apparently, when government supporters mention employers they automatically think of huge employers who own factories, hide assets and rig books. Apparently, if you are an employer you are rich automatically. The minister appears to single out employers. Why add to their burdens? I cannot understand why the small employer who is willing to hire a few workers should pay a premium 1.4 times greater than that paid by the employee.

● (1610)

Why the discrimination? After all, the employer is doing his share by employing that individual. He had to keep the books. Try to submit a late deduction and you are penalized. This was a political gimmick, nothing more, to make it appear that the government is on the side of labour. Who is the employer? In many instances, a simple businessman who himself is struggling for survival. If he closes down his shop, both he and his employee are without a job. I employ people on a little farm I operate. My worker has Saturday or Sunday off and I have to sit there on a Sunday afternoon while the sun is shining, keeping the books and making sure everything is figured out. If I do not, someone in the department will send me a nice letter threatening me with a penalty. Small businessmen have appealed to me from time to time to get this aspect cleared up if ever an opportunity presented itself.

I suppose there are cases of individuals taking advantage of the scheme. On the other hand, there are plenty of individuals who do not draw benefits to which they are entitled. I have received complaints from people who honestly answered the questions directed to them, but the commission comes along with trick questions designed not to get information but to fix things up so that claims need not be paid. I am all for action being taken in cases where there is an attempt to deceive, but I want the commission to be honest when it comes to the type of questions asked. After all, if a person has been getting $4 an hour and he is asked what he expects to receive, he is going to say $4 an hour; he does not tell the commission he expects to receive $2 an hour. If they asked whether he would be prepared to work for less, the answer might be different. Instead, they say afterwards that the applicant is restricting himself because nobody is prepared to pay $4 an hour in his area.

It is often difficult to get employment in rural areas because there are so few employers. The commission seeks to avoid payment of claims by telling applicants that they are restricting themselves because they want to work in their own areas. But, Madam Speaker, that is where their families are living. I know cases where the commission tried to send applicants from Saskatchewan to look for work in the heart of Ontario, leaving their families with no certainty they would find permanent employment. It was just a way of disentitling the claimant, and this is not what the insurance scheme was set up to do. It was not set up to make things difficult; it was put there to help in time of need.

A great many applicants, especially those who for various reasons lack sufficient education, do not know where these comparatively simple questions are leading. They give the answers which they think are correct, and then, bingo, there is confusion for three or four weeks, after which a demand is made for repayment of benefits. No doubt it occurred to someone that it would look good to check over a few of the claims. I am sure no member wants that kind of complaint to be referred to him. It is true that upon reviewing the situation the commission often agrees to reconsider the decision, but I say we should not find ourselves in such a situation.

First, we should provide an incentive not to use the fund except in cases of real emergency. This might be done through requiring a lower premium in certain circum-

stances. Or it might be possible to make limited sums available as loans in appropriate cases to bridge temporary unemployment. Then, again, an arrangement might be made for workers to receive a credit from the fund on their retirement in acknowledgment of the fact that they had never become a burden to society. Such a plan might lead to a net benefit since, as things are, there are many who say to themselves, "If I am going to pay for the rest of my life and get nothing, I had better find a way of getting some of the money back before I retire." Such an attitude might well be the result of the amendments in the bill before us concerning workers who reach the age of 65.

I express the hope that the minister will be receptive to these ideas. I have known a lot of politicians in my day and many of them find it difficult to talk about unemployment insurance because, of course, there are voters back home who will be paying attention. Also, there is always another political party ready to accuse them of being against the interests of the workers.

I say to the minister that every worker wants amendments which are sensible and fair. They want the government to show restraint. Above all, they want guidance from the minister. Hopefully, the hon. gentleman can find time to consider the suggestions which have been made to him, and I hope that in committee some of the complaints which have been conveyed to us and expressed in this House will be taken seriously. I trust he will not view any concession he may make as an expression of surrender to another political party. We in this party have put forward our ideas in such a way that their adoption may even be helpful to him politically, and if that is the case, fine.

We want to see the fund back into such a good position that there will no longer be any question of increasing the premiums to be paid either by the employees, the employers or the federal government. Instead, we want the fund and the economy to be placed on such a firm footing that the hon. gentleman is able to say; "We are reducing the premiums because we have got the problem licked."

Mr. Max Saltsman (Waterloo-Cambridge): Madam Speaker, thus far about the only agreement reached in this debate is that the Unemployment Insurance Act is a mess. Where the difficulty arises is over the question whether it is an insurance scheme or a welfare scheme. This is an important question because the issue of an increase in premiums really hinges upon the answer. Then one must ask oneself another question: Who is responsible for unemployment? Is it the government, or is it society collectively as represented by the government? If it is an insurance scheme, then obviously it is right to raise premiums. If it is a welfare scheme, not only should premiums not be raised but premiums should be abandoned altogether. If unemployment is the responsibility of the government it makes no sense to suggest that premiums should be raised. If unemployment is something that you cannot do anything about, then it is a social problem that must be borne by society in general.

● (1620)

Let me make my own position quite clear, Madam Speaker. It seems to me that the Unemployment Insurance Act has in fact become a welfare scheme. Since unemployment is a social problem, it should be the responsibility of the government. In either case, those responsibilities are not individual responsibilities but social responsibilities and as such should be borne out of some form of general taxation rather than financed by premiums. This is the argument I wish to make.

It seems to me that we are going absolutely in the wrong direction. The government is trying to shuffle off its responsibility in both these areas by putting the load on the individual instead of accepting responsibility both for the rate of unemployment and the fact that unemployment insurance is a cross-subsidization scheme. It is true that when unemployment insurance was first introduced into this country it was a reasonable insurance program, but over the years governments in Canada have moved it from an insurance program to a welfare program. They have brought various people into the scheme. There may have been good reasons for doing this, but nevertheless by bringing in groups like fishermen, seasonal workers and farm labourers, the government has destroyed any credibility that the scheme had for being called an insurance scheme.

An insurance plan depends on unpredictability. That is what insurance is all about, whether it be car insurance or fire insurance. It depends upon not knowing who is going to have an accident or a fire, and under what circumstances. Fishermen have been brought into the scheme, and we know fishermen will be unemployed every year for a certain number of months. We also know that farm labourers of certain kinds will be unemployed. These events are predictable. This is why it is not an insurance scheme but a subsidy program.

As I say, if it is a subsidy or welfare program—and a good argument can probably be made for having a subsidy or welfare program in this area—then it should be accepted as a total social responsibility instead of calling it an insurance scheme. Whatever credibility the plan may have had initially for being called an insurance program has been destroyed by government after government. I think we must recognize the scheme for what it is.

There is nothing wrong with calling it a welfare program, but if it is a welfare program let us treat it as such and not perpetuate the fraud of calling it an insurance scheme, asking people to pay a premium and telling them that the premium is somehow related to the risk involved. It is a cross-subsidization program, which means that one province is subsidizing another province, that one industry is subsidizing another industry, that one group of workers is subsidizing another group of workers. In the social context there is nothing wrong with that; this is done through redistribution programs of various kinds. But that is not insurance and it does not call for premium payments but for the application of a general taxation policy.

Since government either cannot or will not do anything about unemployment, it must assume responsibility for funding this scheme instead of throwing this burden on the shoulders of the individual. In proposing amendments to increase premiums, the government is saying, "We cannot do anything very much about unemployment but we are going to make you pay for it. We are going to make you pay for the failure of government policy and planning. We will take ourselves off the hook and make you pay for it". That is grossly unfair. No government is entitled to

absolve itself from that kind of responsibility at the expense of the individual workers of this country.

Everyone rattles the Unemployment Insurance Act, yet everyone is guilty of abusing it. I do not think you could point the finger at any one group of our society or at any one province; everyone is guilty. I have listened with considerable interest to my hon. friends in the Conservative party denouncing the Unemployment Insurance Act. Yet whenever I ask them what they would do, I do not hear very many constructive proposals. They do not tell me which groups they would remove from the plan. In criticizing the Unemployment Insurance Act, denouncing its inequities and telling horror stories about the act, in saying that the act is not generous enough to certain groups, not one member has made a speech critical of the Unemployment Insurance Act without saying, "I know all kinds of cases of individual injustice". But hon. members cannot talk out of both sides of their mouths. They almost won the 1972 election by their attacks on the Unemployment Insurance Act, yet at no time did I hear any constructive proposals for improving the act.

The truth of the matter is that very few of us can be totally critical of the Unemployment Insurance Act for fear of offending our constituents. Of all the political parties in this House, the Conservatives have the most fear of offending their constituents because so many of them are living off unemployment insurance.

Some hon. Members: Oh, oh!

Mr. Saltsman: I am being a little rough, Madam Speaker, but I am being rough intentionally. I get fed up with the cant on this whole subject. Everyone is for motherhood, truth and justice until it comes to doing something to improve matters. They say $4 billion is too much to spend. But which groups would they eliminate from the plan? Would they eliminate farm labourers, fishermen, loggers, or maternity benefits? Where would they make cuts? I have yet to hear their program on that.

It reminds me of the sort of arguments made during the election campaign about cutting government expenditure. The only cut that they suggested really was Information Canada. When they were asked what government expenditure they would cut, whether they would get rid of old age pensions, or family allowances, they would not answer. The same can be said of all these critics of the Unemployment Insurance Act. When you ask these people what benefits they would remove, they do not reply. They do not reply because they are afraid of their own constituents. They are afraid of offending them. They try to please both sides—those who do not like the plan and those who live off it. That is the great dilemma we are facing. We have created a Frankenstein for ourselves. We cannot live with it yet we cannot live without it.

The present system of premiums should be abolished and replaced by a general tax, perhaps not by an income tax because that is high enough already, but some kind of payroll tax. This would make more sense than employer and employee paying individual premiums. For example, we might use a system similar to workmen's compensation. In that event, if we wanted an insurance scheme we could risk-relate it to the industry involved. Every industry has a pattern. The way in which workmen's compensation is risk-related has had a marked effect on the attitude of industry toward safety. When their premium goes up they do something about safety in their plant. Not as much as they should, but there is some improvement. It seems to me we should do the same thing with unemployment insurance.

Many industries in this country could not survive without the Unemployment Insurance Commission. The biggest abusers, while having the loudest mouths, are the inefficient industries of this country that live off the Unemployment Insurance Act and do more to abuse the act than any individual in our society. For example, the fruit growers have criticized the act and said how much they suffer under it, how terrible it is for them. I came back to Ottawa on a plane one day with a gentleman from the Okanagan Valley who ran a fruit farm. He was very critical of the Unemployment Insurance Act and then went on to tell me how he hired married women for eight weeks and promised them at least eight weeks' work so they could qualify for unemployment insurance and he could pay them the minimum wage. He could not run his farm without the Unemployment Insurance Act. He depends on unemployment insurance in order to get his labourers, and he is not the only one; there are all kinds of industries like that in our society.

This system is very convenient for them. They take on labourers like a commodity and they let them go like a commodity, at which time the labourers go back on unemployment insurance and society pays for it. If they did not have this scheme to fall back on, these people might be a little more responsible in the way they treat their employees. They would have to be a little more efficient in the way they run their industries; they could not run them from the seat of their pants, hiring and firing at will.

● (1630)

Let me give an interesting illustration of that in respect of the automobile industry. There was a time when that industry had extensive lay-offs in good years and in bad years. They always said that the models changed, so that everyone had to be laid off for six weeks or two months. This was the case until the unions said that if the industry continued to lay them off in this way, they would have to pay the employees during those lay-offs. They brought in an agreement under which, if the employees were laid off, the companies had to pay them.

The automobile industry suddenly found that the work was not as seasonal as they once thought it to be. They began to keep everyone on all year long. They evened out their level of production, instead of hiring thousands of employees and working the hell out of them for part of the time and laying them off for two months. They levelled out the work in the industry. This has been the case, generally speaking, for the last five or six years since the unions negotiated that kind of agreement. There has been steady employment, as there should be, in the automobile industry since then. But at one time they dragged in thousands of people when they were required and laid them off when they were not, giving the industry this yo-yo effect.

Unemployment insurance permits this kind of thing to take place. It is important to note that in this kind of society which is disorganized and free-wheeling, a back-

ward society, we have no alternative to unemployment insurance; we could not exist without unemployment insurance. Unemployment insurance is required by this Liberal government which cannot manage its affairs, cannot provide full employment and has no plan for the economy. The government uses this means of preventing a revolution taking place. If the government did not have that kind of support, the people would not be able to live in this kind of society.

People have many needs, whether they be housing, transportation or other things which are required. There are many needs in the world today. How can there be unemployment with this system that treats labour as a commodity? This liberal society does not have an answer, so the government brings in unemployment insurance. It is much like LIP, which is a sort of middle-class welfare scheme. This government cannot solve the problems, so it pays the people off. Unfortunately, it is not the government that foots the bill for this type of welfare scheme. The individuals who pay are those who are industrious and work. Those are the individuals who pay for this scheme. Those are the individuals this government wants to pay even more.

In some ways, unemployment insurance would not bother me. It would not be of great concern to me whether unemployment insurance were an insurance scheme or a welfare plan, if in fact it helped the poor. If the people needed help so badly, I would not quarrel about how they got that help. The problem with this unemployment insurance scheme is that, generally speaking, the money does not go to the poor. All of us know from experience in our ridings that the poor are the first ones to be knocked off benefits. They are not clever enough, in most cases, to know how to work the Unemployment Insurance Act. The ones who know how to and do work the Unemployment Insurance Act are the middle-class people.

There was an interesting story that appeared in the *Globe and Mail* on April 4 this year, from which I should like to quote. It appeared at page 7 and reads as follows:

> In the 1973 figures, $686,000 in unemployment insurance went to Canadians with declared incomes of $25,000 a year and above; $20,000 of that going to persons with incomes in excess of $50,000 a year.

This is the fine scheme we have in this country! Of course, if you ask anyone about this they are likely to tell you the scheme should not differentiate in this way. That is how badly this whole thing is screwed up. We all know that the people who benefit most from unemployment insurance are seasonal workers who make more in a short season than many people who work all year long. West coast fishermen work four months a year and earn an average of $20,000. They then collect unemployment insurance for the rest of the time. What they do with that time, I do not know. Fishing in this country, with few exceptions, is not an occupation but a hobby. We are paying those people for engaging in that hobby.

I could give other examples of that where people around the country are engaged in fun activities. I once had a fellow from Newfoundland in my riding. He worked at a job but got into a few little brawls in the shop. If he did not like the foreman, he felt that he should punch him on the nose. After all, he is a bad guy and one should hit him. There are many people who are not very understanding about these things, and he lost his job.

An hon. Member: Like the guy who gets it on the nose.

Mr. Saltsman: That fellow lost his job and found it very difficult to understand. He had said some terrible things and hit the foreman, but had then forgiven him. He could not understand what the trouble was and why he should have lost his job. He looked for another job but found it very difficult to find one. After some difficulty, I thought we had him all calmed down and he found another job. I heard afterwards that he was doing very well and was to be made a foreman. This kid was only 22 years of age and had it made.

I thought we had accomplished something, and I suppose society would think he had been ground down into the dust and would conform. Then one day when I was on the train coming back to Ottawa I met this young lad and asked him where he was going. He said he was going home. I said, "Are you going home to visit your parents?" He said, "No; I am going home to stay. I have quit the job". I said, "I thought you were doing very well". He said, "Mr. Saltsman, that is not the way to live, getting up every morning at six o'clock, going to work, punching the time-clock. When the fishing season is here, they want you to work; when the hunting season is here, they want you to go to work."

He said, "They want you to work all year round. I am going home to do some fishing. When the fishing is not good, I will go on unemployment insurance. That's the way to live, Mr. Saltsman". You know, I think he is right. If your have a choice between living as a free soul or being chained to a machine, you should live as a free soul. Not everyone has that choice.

That is an exaggeration in order to make a point. However, the truth of the matter is that the people who pay for everything in this society are those who get up at six o'clock in the morning, whether it is raining, cold or hot, and go to work day after day, week after week, month after month. They do not have the opportunity to opt out. They usually are not unemployed and are not looking around for meaningful work. They do not say they want to stretch their horizons, but they pay for everything. They pay for unemployment insurance and they pay the taxes in this country—and they have no way out. This is the man the government is now saying must pay even more than he has paid, because the government cannot handle the problems of this society. The government is not assuming what should be its responsibility as the government and, therefore, these people have to pay more taxes. It is very difficult—

Mr. Korchinski: I am glad you agree with me.

Mr. Saltsman: Occasionally when I am talking, I get the feeling that I may be wrong. This just confirms it. There is great difficulty in discussing unemployment insurance because so little is known about the workings of the act and about who benefits and who pays. As I am saying this, I look across at the minister and see that he is there with a knowing smile on his face as if he knows. If he does know, he is not telling us. I sometimes suspect that the government does know all about cross-subsidization. I suspect it

knows who is bearing the cost of unemployment insurance and who is getting the benefits. This suits the purposes of the government and it suits its purpose not to discuss it or talk about it because too many horror stories may come out.

My quarrel is not about unemployment insurance, which I think is a very necessary and important program in the society in which we live; my quarrel arises because this program has been so distorted and twisted that it is now an open invitation to cheat. I know of very few cases where individuals have really defrauded the Unemployment Insurance Act in the sense that they have done something dishonest or something they were not allowed to do under the act.

● (1640)

What happens is that frequently people spend a great deal of time examining the loopholes in the act and figuring out ways to circumvent having to work and still be paid, rather than search for work. That is a serious problem in our society. It is not so bad in our society that we think chaos will ensue tomorrow. That is not so; there is still a strong work ethic in society. What happens, however, is that the man who works hard, who feels he has a responsibility to work, and who rather than accept benefits really tries hard, becomes very downhearted. It is not only that those who take advantage do so, but many of them make a point of going back to the job and telling him he is a fool to work. They usually exaggerate the situation. Then the steady workers feel like fools for working and sometimes ask themselves why they should continue to work. That is a serious problem for society.

Although unemployment insurance is costing our society $4 billion, it seems to me it is a good thing that money is being spent, whether or not it is being spent fairly. I hate to think of the state our society would be in now if that purchasing power were not being pumped back into society.

While I do not like the operation of the act, I will not quarrel with it at this time for the reasons I have given. We will not always be in a state of unemployment. We will have to get out of it some time. It is important to devise an act that appears to be fair to the people who must pay for the benefits. We must do that because society is held together when people are willing to work and share some of the rewards of that work with others. If they are not willing to share, then it does not matter whether we are talking about a capitalist society or a socialist society, because any society is based on the willingness of people to work and if that willingness is denied we are in serious trouble.

I suggest that the Unemployment Insurance Act does exactly that and is badly in need of change and correction. In some ways the act should be liberalized. I do not see any reason for there being a qualifying period of eight weeks or 20 weeks. If a person is willing to work, and if the job is not too restrictive, he should be entitled to collect unemployment insurance if society does not provide a job for him. There is no justification at all for the eight-week qualifying period. Most of these eight-week periods are phony, in any event. They are manufactured. I think of pregnancy and sickness claims, although I do not know how one could call pregnancy a sickness or an accident. I suppose in some cases it could be an accident. Generally speaking, it should not be either. What is the justification for saying a woman who puts in a 20-hour week in a shop, which may be the only 20-hour week she has put in in her life working in a shop, is entitled to a pay-out, while another woman who remains at home with a sick child is not entitled to anything?

If we come to the conclusion that this kind of payment should be made, surely every woman with a child is entitled to it, rather than just someone who can manoeuvre the Unemployment Insurance Act. There is no justification for this. At some point the minister will have to make up his mind concerning what he really wants. One day, depending on how the wind blows, he states that he will close all the loopholes in the act, and another day he makes statements such as the one I am about to quote. I refer to a statement he made before the Senate Committee on National Finance, on June 18, 1975. He said:

> I must reaffirm that workers will not be forced to accept jobs that they do not want.

I presume he would also say, "or stay on jobs they do not want". Yet he will take the three-week disqualification period and change it to six weeks. What sense does that make? If the purpose of the Unemployment Insurance Act is to give people a greater opportunity to prove that they want to work, then obviously it makes no sense to increase or decrease the qualification period. That is not where the problem lies. Someone who wishes to quit a job does not go to the foreman and hit him. He finds a better way of getting fired.

Most employers are very guilty in the sense that they will seldom put down the real reason for a person leaving employment, because they want that person back. Very often these lay-offs take place in collusion with the employer. Most people who leave jobs would not be collecting unemployment insurance at all if the employer did not collude with them. Yet the employer is not investigated to the same extent as the employee.

I feel strongly about this bill in the sense that, despite everything the minister has said and despite all the trumpeting about the great changes taking place, we will not see the unemployment insurance pay-off come down a cent, despite these extra disqualification periods, because this is not where the problem really is: the problem is with the entire philosophy and approach to the act. This government is not prepared to bring in changes to manage the economy in the way in which it should be managed.

So long as that situation exists, we will always have abuses in respect of the Unemployment Insurance Act, because businessmen who harp about the abuses in respect of the Act will always look to themselves before looking to anyone else—they are the great abusers of the act, and those who support this system make such an unemployment insurance act necessary.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I believe the House is anxious to get to a vote on the second reading of this bill this afternoon. Therefore, I shall make my remarks at this point briefer than otherwise would have been the case. I want to make as clear as I can and in the simplest way possible that we will vote against

this bill because it imposes additional burdens on the little people in this country. It is just as simple as that.

The minister and his colleagues can point to some improvements in Bill C-69 over the Unemployment Insurance Act as it now stands, but the effect of its major proposals is to place more of the burden of unemployment insurance on the little people and to add to the abuses which the little and ordinary people will suffer.

I want to say we in this party are glad we have unemployment insurance as part of our social structure. We are glad the trade union movement in the early years of this century campaigned for an unemployment insurance program such as already existed in other industrial and democratic countries. I will even say I welcome the fact that in 1919 the Liberal party at its great convention of that year pledged itself to bring in unemployment insurance along with old age pensions and health insurance.

● (1650)

I was proud of the fact that in 1925 and 1926 my predecessor, the late J. S. Woodsworth, in a minority parliament used his strength to put pressure on the government of that day in this field. In the main he tried to get both unemployment insurance and old age pensions. He got old age pensions from Mr. King, but so far as unemployment insurance was concerned, he only got a promise that that would come in later. Well, it finally came before parliament in 1940 and into effect in 1941.

I join the hon. member for Waterloo-Cambridge (Mr. Saltsman) in saying that our economy today, apart from the fact that there would be great suffering on the part of individuals, would be in a great deal worse condition than it is if it were not for unemployment insurance. Therefore, we are supporters of the whole idea of unemployment insurance and we want to see it continued as part of our economic and social structure. But we want it to be a scheme that is fair. We want the burden of unemployment, which is a social responsibility, to be borne by society as a whole, not just by those who suffer most from unemployment or the fear of unemployment. We want the cost to be distributed on a basis that is fair. That is not the case at the present time and, what is even worse, this bill will take us still further in the direction of unfairness.

Let me list four or five ways in which, in our view, the bill does what I have said it does, that is, puts heavier burdens on the little people, and for these reasons we shall vote no on the motion for second reading. First, may I refer to the fact that the bill does nothing to resolve the abuses that are perpetrated on claimants. There has been a good deal of talk in this debate about abuse, although most of it has been the other way, but from all sides of the House there have been examples of abuse that individuals suffer, mainly because of the activities of benefit control officers, mainly because of the fact that there is no satisfactory definition of suitable employment. The provision cutting off thousands of claimants from benefits altogether or of cutting them back substantially because they are restricting their availability is not in keeping with the purpose and the principles of unemployment insurance. That is something that is not in this amending bill and it is one of the reasons we are opposed to it.

[Mr. Knowles (Winnipeg North Centre).]

Another way in which this bill is hard on little people, and this has been put forward by my colleagues and by members in other parties, is the decision to reduce from 75 per cent to 66⅔ per cent the amount of benefit available to those who are in special need and who have dependants. No matter what kind of case the minister might try to make for treating all alike, he cannot get around the fact that that is increasing the burden that is placed on little people, and that is what is wrong with this measure.

Another thing that is wrong with it is the proposal to double the period of disqualification to which certain claimants can be subjected from a maximum of three weeks to a maximum of six weeks on top of the waiting period. This will simply add to the economic difficulties, the deprivation and suffering of many of our people. Who are the people who will suffer because of this? It may include some of the people who have been talked about here who abuse the system, but the tragedy is that it will include a great many honest people who have rights under this act but will have those rights curtailed by this provision.

Then there is the provision about the level at which the government picks up the cost. This, of course, is a matter that has been referred to by many hon. members because it is one of the main provisions of the bill. At the present time, as everyone knows, the premiums going into unemployment insurance are expected to pay the total cost of its benefits so long as unemployment does not exceed 4 per cent. Above that point, the government is supposed to pick up the tab, which in fact it does.

This means that at present the cost of unemployment insurance is borne partly on the basis of a regressive form of taxation on all people at a firm percentage, despite the fact that they are the little people, but part of it, the cost of unemployment over 4 per cent, comes out of general revenue which, to a more reasonable extent, is achieved through the practice of the principle of the ability to pay. But the new proposal is that that threshold is to be raised so that it will be a sliding average of the actual unemployment in the country over the immediately preceding eight-year period. This means that in the years that lie ahead, the threshold at which the government will come in will get closer and closer to the actual level of unemployment in that year. In other words, the cost of unemployment insurance is being put more and more on the shoulders of those who are actually working, those in low-income and middle-income brackets.

This is a departure still further from the principle of paying for social benefits according to ability to pay. The government does this in so many ways. We have it in our income tax structure, we have it in Bill C-73, we have it across the board. It is a constant battle to try to get our society to recognize the principle of the ability to pay, and we are sorry to see this minister go in the other direction in this piece of legislation.

The other item I wish to mention again—one that has been mentioned several times, but I am simply putting them all together in one package—is an illustration of the additional burden being put on the little people in the decision to cut people off from either contributing to or drawing from unemployment insurance after the age of 65. I regard as most specious the argument that we have heard

from the minister—a good many Liberals have trotted it out as well—that the rationale for this is that the government is now doing very well for our older people. We have had the list of things that are available, such as old age security, the guaranteed income supplement, the Canada Pension Plan, and so on.

Whenever we talk about the fact that there are no opportunities in these programs to enable people to keep up with the rising cost and rising standard of living, when we insist on substantial increases in these pensions, we are told from the other side that all these benefits are indexed, that they are escalated either quarterly or annually. That is a snare and a delusion if I have ever heard one. Ordinarily, in society the workers in trade union groups who are seeking collective agreements and those who are unorganized do not seek just a COLA arrangement, just an increase equal to the rise in the cost of living. They seek, and rightly so, a greater share of the gross national product and of the standard of living that their labour makes possible. To say to our people who are over 65 that they must be satisfied with just the same basket of goods and services that they were able to buy at the age of 65 is putting them in a category that is inferior to other people in our society.

The cost of living increases are always behind anyway, but even if they were kept up to date it is putting these people in an inferior position, and to say to them that this additional opportunity to draw unemployment insurance, if they are still working after 65 and meet the conditions of the act, is cut off is I say, grossly unfair. My feeling about the whole matter is that these arguments that are being put forward are not the real arguments. What the government has looked at is the figures and it sees that here is a chance to save more than $100 million a year by cutting off people between the ages of 65 and 70.

● (1700)

In other words, the same thing I have complained about with respect to the other points I mentioned applies here. The government sees itself in trouble about unemployment insurance. It has been under some pressure from its own people, heavily from the Conservatives and to some extent from the public. It sees this program only in terms of trying to save dollars, so it is going to save dollars by doubling the period of disqualification, by lowering to 66 ⅔ per cent the benefits to persons with dependants, by making workers pay more by going up from 4 per cent to the actual rate of unemployment before it pays the cost out of general revenue, and then, if that is not enough, by making old people between 65 and 70 literally kick in over $100 million a year by being denied their benefits under this legislation.

That is what we dislike about this legislation. We are concerned. As I said in the bit of history I indulged in a few moments ago, we have been interested in unemployment insurance for a long, long time and we regard it as an important part of our economic and social structure. We do not like seeing it abused by the kinds of things which are being done to it in this amending bill which is now before the House.

The effort to save money by taking it out of the pockets of old people or by taking it out of the pockets of dependants by cutting down what workers with dependants will get is, of course, all based on the notion that somehow the government is being efficient and doing the right thing if it just saves money. To hear some of the speeches in this House one would think that for governments to spend money is a sin. I suggest that if it were not for the collecting and spending of money in the provision of services, pensions and health care, and contributions to housing and unemployment insurance, we would not have a society. There can be no civilization unless we find ways of redistributing the wealth we are able to create so that our people share in the benefits of that society.

That is what a program like unemployment insurance is all about. It needs to be policed; it needs to be administered efficiently and carefully. Above all, it needs to be administered on the basis of fairness. But I resent the way in which the minister and his colleagues seem to have felt that they had to respond to this "save money" syndrome which we get mainly from those on my right. What is important is that the money which is collected and spent in our society results in meeting the needs of our people. That is not done by debasing the unemployment insurance scheme or by making the little people suffer, as is the case under Bill C-69. That is why when the vote on second reading is called, we shall be voting no.

The Acting Speaker (Mr. Turner (London East)): I should like to point out to hon. members that if the minister speaks now he will close the debate.

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it will come as no surprise when I express some relief at having reached this stage in the debate after six days of speeches and 55 speakers to this point. Sitting here listening with the most complete attention I could give, subject to natural demands on oneself from other sources, has really been like watching the swinging of a pendulum back and forth, back and forth.

Mr. Knowles (Winnipeg North Centre): On your side, too.

Mr. Andras: Yes, I will do a more circular motion on that one. As noted by the honorable member for Winnipeg North Centre (Mr. Knowles), that is quite true. We have heard a parade of suggestion that this is a most colossal boondoggle, a fraud, it is permissive and unnecessary; but in the same speeches, as noted by the hon. member for Waterloo-Cambridge (Mr. Saltsman), I did not hear one hon. member—usually from the Conservative side—complete his speech without really swinging that pendulum right back again and saying that we should tighten up, cut something out, do this and do that, but that we should not touch this or that, and that incidentally there are some cases reprehensibly handled, and so on.

Before we put the question this afternoon and, hopefully, proceed from here to committee with this bill, I will not attempt to deal with all the points raised but I do wish to say very sincerely that almost every individual case has been noted. In many instances it was not a thousand cases but the same one cited a thousand times. The UIC ski team

was three years ago and was an embarrassingly amusing story to me because I was not the minister at the time. That story was probably done to death in the 1972 election campaign, but it seems to be popular with some hon. members still. It rather suggests that there have been some improvements and changes if we have to reach back for that kind of anecdote.

As I have said, I will not attempt to refer to every speaker. I appreciate every contribution which has been made, in a general sense, and some of them in a very specific sense. I must deal for a moment with the opening speech made by the opposition critic, the hon. member for Halmilton West (Mr. Alexander). He put on quite a performance, which covered seven pages of *Hansard*, unfettered by fact and certainly uninhibited by very much substance. As is the joy of this House, he and I are becoming great personal friends, but as I have said to him many times, I must say publicly that even for a man as tall as he is it can be very painful to come down heavily on both sides of the fence. I hope he protects his anatomy if he continues to take that position.

He paraded the past to us. He rubbed our noses in some of the forecasting problems we had back in the days of 1968, 1969 and 1970. It would have been rather decent of him to go on and indicate that since those times our forecasts, or our estimates of expenditures and the like, before committee have been very accurate. But he did not do that. Then he went on to lay before the House certain facts and figures à la Hamilton West, from the research team of the Conservative Party. I cannot help but think of the old story about the big bad wolf. Our friend huffed and puffed and blew his own house down.

Some hon. Members: Oh, oh!

Mr. Andras: I wish to lay before the House, not in any sense of winning debating points but so that we can clear some of the underbrush of error which the hon. member for Hamilton West made—and many of the Conservative party members fell into the trap of taking his figures or suggested figures as gospel—so that we can then join together from here on, and through committee, at least on some basis of fact. In his opening comments, the hon. member for Hamilton West said that I did not tell the House in my speech that this program would cost $4 billion this year. I did not tell that to the House because it will not cost $4 billion. He knows very well that it will not cost $4 billion this year because he was at the committee when we laid before it the outside estimate, including administrative costs, of about $3.7 billion.

I hope the Conservatives will not become raucous about that and fall into the additional trap of saying, "What's $300 million?" They used to enjoy that kind of comment years ago but I think they will avoid it now. I am afraid it was a knowing error because about four pages later he went on to put the correct figure of $3.75 billion on the record. I do not know why that accident happened. He said I indicated that the premium increase would be 35 per cent. There is no record anywhere of any comment, formal or informal, public or private, where I have said any such thing.

• (1710)

He quoted some noted journalists-cum-economists who said that the premium increase would be from $800 million to $1 billion in 1976. I will lay my reputation on it that it will be in the neighbourhood of $490 million. I suppose someone will say, "What's $300 million?" or "What's half a billion?" Curiously, all the errors are on the side of his argument; never the other way. He said that the length of the benefit period for recipients increased some 51 per cent between April, 1974, and April, 1975. I can tell him that that is very inaccurate. The fact of the matter is that even in face of the higher unemployment we are experiencing today, during 1974 the average claimant received benefits for something like 17 weeks. That has come down to 16 weeks—and it is not an increase of 51 per cent, it is a reduction.

He indicated gleefully that the United States expenditure in 1973 was only $4 billion and that we would be spending, he went back up again to $4 billion as an illustration for 1976 in Canada. Mr. Speaker, I question whether any member of this House would have tolerated the United States unemployment insurance plan as it has existed until now. I do not think Canadians would have tolerated it.

Some hon. Members: Hear, hear!

Mr. Andras: Certainly, I would not be very happy to see that continue. Let us get it on the record that as incomplete protection as the United States unemployment insurance plan provides in that country, their expenditures this year are going to be $20 billion. I just wanted to clear up some of these errors so that we can begin to deal with the matter properly. The hon. member also said that I had claimed that the act was riddled with disincentives. I never said any such thing, and I refute that.

I cannot touch on every speech, but I enjoyed the speech of the hon. member for Nickel Belt (Mr. Rodriguez). He regaled us with a story about robins and horse manure. I think he confirmed what we all know, his expertise on the subject of horse manure. In that sense he was a little more down to earth, perhaps, than the preceding speaker.

Mr. Gilbert: Would you say he was a flop?

Mr. Andras: Until the day we reach the Valhalla that the hon. member for Waterloo-Cambridge and some others have described, and resolve the rationalization of all income support systems and social security systems in this country, until we devise a system of moving on to a pension plan and integrating all these things, I tell you as a minister who has had lots of scars on his back over the last three years, also having had the opportunity to meet with people in Britain, Germany, France, the United States and Sweden, that we have one of the best unemployment insurance plans in the world. It has provided direct cash in almost every instance. It has given very much needed income to people who through no fault of their own suffered an interruption in their earnings at a rate in excess of 2 million people a year since the changes in 1971.

I have heard accusations and criticisms to the effect that I referred to one of the beneficial effects of our plan by saying that it does have a redistributive effect. I make no apology for having said that. If you think it out, it is

ridiculous to expect, if it is any good at all, that it would have any other effect. A person who has lost his or her job and therefore their income is, in the main, on the way to becoming very poor. If, through whatever method, you place income in his or her hands, then of course you are redistributing income. What is wrong with that? I think it is unthought-out rhetoric to make accusations that that is a logical or acceptable criticism of the plan that we enjoy in this country.

I would not be a party to emasculation of the unemployment insurance plan as we now have it, at least until that great day comes when we find a much more comprehensive, all-embracing program about which some suggestions have been made in the debate thus far. They are so embryonic, however, that we have a lot of work to do, perhaps together, to perfect the ideas over the years.

I think it is a great plan, but I think the pendulum has perhaps swung a little too far. I cannot stand before you and say it is perfect; there are problems. It is a costly allocation of resources, and even in this still very fortunate country there is not a bottomless pit of money. We have to decide whether this investment in people, as compared to that one, is producing the better or the worse result. There are rigidities in this act that have to be removed. We are trying to do that. I have indicated to the House that I hope to bring forward further improvements and amendments because it is a very significant plan in our society, our economy, and in the allocation of resources required to support it.

I am afraid there are some disincentives in the act and I think they should be attended to. In some of the amendments before the House today we are attempting to deal with these matters. I think we should be extremely careful, though, about using words like "cheater" or "abuse". I am not just playing semantic games. I spent many hours searching my soul about this so that we could understand each other and what really takes place. The person who voluntarily quits with or without cause—and we are addressing ourselves quite heavily to him in this bill—is not in any legal sense violating the terms of the act. He is making a personal choice which is his right. Having made it, however, that does not automatically entitle him to assume an income paid for by other people.

In regard to disentitlements, people often ask what the percentage is of cheaters or people who misuse the plan. I prefer the term "misuse" because in the main it is applicable to most of the failures to meet the obligations under the act. I think most of it is misuse and a lot of it is misunderstanding because it is a far too complex legal document. It is very difficult to get the basis for assessment of that percentage. A disentitlement could be for one day—it could be for one hour. Well, that is a little tough. The computer would blow a gasket figuring out the deductions in that case. But it can be one day, one week, one month. Disqualifications are precise—they are for a period of time and are usually for reasons that you all know—anyone who voluntarily quits without cause, refusal of suitable work and so on. Indeed the same claimant can be disqualified in the first place and then disentitled later but I defy anyone to tell me precisely what the percentage is.

Having said all that, the incidence of misuse of the plan and even in some cases abuse of the plan, is too high for my liking. We want to protect the integrity of the program in the eyes of the public of Canada who, after all, is paying for it. I say this because even at present levels of unemployment most Canadians who are capable of working, thank goodness, are enjoying a job. We are, in all conscience, maintaining a vigilant attitude and constantly reviewing that aspect as vigorously as we continue to review our ability to provide services to claimants who need them.

● (1720)

Let me talk more specifically about some of the amendments and controversial provisions contained in Bill C-69. The question arises, how is the program to be paid for? In all probability we are heading for expenditures of about $3.4 billion this year because, thank goodness, unemployment in the last quarter is not climbing. Unquestionably, that is a large amount of money, a large amount of federal government and therefore public expenditure, and a sizable percentage of the gross national product.

The facts are as many hon. members have said, and I do not deny them. In the main, the reason for that figure is that unemployment is at present levels. That is the main reason for the increase in cost. Another reason is that built into the plan is the escalator of the average wage, which determines insurable earnings and, therefore, maximum benefits. The maximum insurable earnings will be $200 per week in 1976, up from the present $185 per week. So there are many built-in cost escalations; in many ways I say thank goodness. But this poses a question which really needs simple arithmetic for its solution.

If you are paying out more money, you have to take in more money. We had to raise more money to fund this plan for 1976 and, perhaps, the future. So it became a question—and I heard some most interesting comments on it—of whether this should be paid completely out of general taxes or whether the program should be maintained by tripartite payments. We chose the route of continuing with the premiums of the employee and employer, with the government sharing the cost. We altered the threshold to allow us to assess more realistically the unemployment situation of the last eight years. The threshold figure for 1976 is to be 5.6 per cent which is based on the eight-year moving average ending last June.

Much has been made of this being a regressive tax, Mr. Speaker, of this being another horrible burden brutally perpetrated on the working people of this country by the Liberal government. Let us get this in perspective. The premium will be paid by nine million employees, by working people whose incomes range from the very modest to the maximum insurable earnings of $200 per week in 1976, and by employers who will pay 1.4 times the employee premium. That means that 58 per cent of the additional $490 million to which I referred, that being the premium revenue increase for 1976, or $280-odd million, will be borne by employers, not employees.

Let me explain to hon. members exactly what this means. The present unemployment insurance premium, at $1.40 per $100 a week income based on a 40-hour week, cost the employee 3.5 cents an hour. Under the new threshold, the increase for that employee, once this bill receives passage, in 1976 will be 25 cents per week on $100 of

earnings. For that same employee the additional cost will be six-tenths of one cent per hour. That is the increase in premium we are talking about. It will be 25 cents a week, or $13 a year. The employer of that same employee who is earning $100 per week in a 40-hour week will pay an increased premium of nine-tenths of one cent per hour for that employee.

Let us consider how this will affect the employee earning the maximum insurable earnings of $200 per week which, as I have just indicated, will be the figure for 1976. The $200 per week, 40-hour week employee will see an increase of a little over one cent per hour in the premium he must pay, and his employer will see an increase of 1.7 cents per hour in the premium that he must pay. So although the principle may be arguable, let us not exaggerate that this is deliberately loading an unconscionable burden on the backs of employees and employers.

For years in this country we have funded unemployment insurance on a tripartite basis, whereby the cost was shared by the three main participants, the employer, employee and the government. Before 1971, the portions of the burden were 41.5 per cent each for the employee and the employer and only 17 per cent for the government, with the government paying the cost of administration. Had we continued at the 4 per cent threshold level, at an unemployment rate similar to that which we experienced in 1975, the shares borne by the government, employer and employee would be, in 1976, 53 per cent for the government, 27 per cent for employer and 20 per cent for employee. The threshold changed, but this does not take the government off the hook financially. It merely restores the balance and, at the new eight-year moving average threshold, the respective shares of the burden would be 38 per cent, 36 per cent and 26 per cent.

Insurable earnings, as I indicated earlier, are indexed to the average industrial wage as collated from T-4 slips. They rise with the increase in earnings, and they also are affected by a moving average. So, Mr. Speaker, I really cannot buy the idea that the government is to be relieved of any concern and that the bureaucrats will say, "To hell with unemployment; we don't have to worry about it any more." How realistic is the suggestion that the government will not remain totally conscious of the burden of unemployment and will not do its best to fight it?

Some hon. Members: Hear, hear!

Mr. Andras: Concern has been expressed about the increased disincentives which we are proposing to apply to those who voluntarily quit their jobs without just cause, who are fired for misconduct or who refuse suitable work. I am concerned about an anomaly, a paradox to do with the present unemployment situation. Despite present levels of unemployment, leaving aside the numbers of existing job openings, there is a continued increase in the numbers of people who leave their jobs without just cause. That number exceeds 250,000 a year. When you consider that number as a percentage of the total claim load—which is a sensible relationship—you will see that it is in excess of 10 per cent. Somebody said that it is only 2 per cent of the work force. Mr. Speaker, 41 per cent of Canadian workers change jobs every year. We are not talking about the right to change jobs. I am talking in terms of 250,000, plus, people who have attracted disqualifications under the Unemployment Insurance Act, and in those cases no appeals were rescinded.

Mr. Rodriguez: Give us a breakdown of that figure.

Mr. Andras: I will give the hon. member a breakdown in committee. I want to put these figures on the table. I am not being provocative; I want to get these figures on the table and I am sure hon. members will want to look at them, too.

● (1730)

On the question of jurisprudence, I worry too, from time to time, as to how well our appeal system is working. The jurisprudence has been established for 30 years, though, and if there is valid criticism of this kind of change it should more properly be addressed to an examination of the appeal system itself. I have asked the Unemployment Advisory Committee to conduct a review of the appeal system over the summer months. It really has not been touched for 30 years. It is the subject of an examination, also, by the Law Reform Commission and I hope that before too long we shall either validate it or make necessary corrections. I think we shall find that there is a little rust in it; it needs to be brought up to date; it needs a better balance, particularly for the unorganized worker who faces a negative decision.

I turn now to the position of those over 65. This is the most difficult problem I had to wrestle with and place before members. I want to begin by asking hon. members by what stretch of the imagination can one visualize that this change is suggesting that people aged 65 and over be barred from work? There is nothing whatsoever in this change in entitlement which will affect a person's right to work, or access to work. It simply means that unemployment insurance, in my opinion and in the opinion of many others, is not a program designed to provide even a short-term pension plan. I admire the hon. member for Winnipeg North Centre for his unrelenting effort to assist senior citizens. I question the route he takes very often, because I think it would lead to very severe distortions, crippling one plan by requiring resources which should more properly be allocated to another.

Mr. Knowles (Winnipeg North Centre): You may disagree, but you always come around sooner or later.

Mr. Andras: Let me put my problem squarely before hon. members, Mr. Speaker. The 1971 act established that at the age of 70 there would be no payment of premiums and no more entitlement to unemployment insurance. I have indicated that there have been changes to other, and I think more appropriate programs—

The Acting Speaker (Mr. Turner (London East)): I regret to interrupt the hon. minister, but his time has expired. The special order allowed 30 minutes to each speaker.

Mr. Knowles (Winnipeg North Centre): Give him five more minutes.

The Acting Speaker (Mr. Turner (London East)): The minister could carry on with unanimous consent.

Some hon. Members: Agreed.

Mr. Andras: Another control factor was accessibility to the Canada Pension Plan and, of course, there was a three weeks return of benefits available. They had the choice of taking three weeks' benefits or the Canada Pension Plan. Obviously, they decided not to go that silly route under the act because it wasn't very profitable for them. But here is one of the major errors in the research by the Conservative party. They said, "There's no dough in it, anyway; it affects only 5,000 people." But the question is not that simple. We are dealing here with $120 million a year.

There is a matter here which I am bound to take into consideration. It is this. We have extrapolated from the labour force survey the people aged 65 and over who tell the survey that they are unemployed. We have compared that figure with the number of unemployment insurance claimants at any given time, and the comparison is startling, I am sad to say. The labour force survey indicated that the average monthly number of those aged 65 or over, unemployed in 1974, was 7,000. The average number of claimants aged 65 and over was 17,500. It ranged to a ratio of 5,000 unemployed but 18,000 drawing unemployment insurance benefits, to that average. I will give hon. members who are interested more details when we reach committee stage, but that is the problem.

Mr. Benjamin: It should tell you something about the pension plan.

Mr. Andras: When one tries to apply the criterion of availability for work—which I think is a fundamental pillar of unemployment insurance integrity—to this gap and to identify those involved, it becomes a brutal exercise.

Mr. Benjamin: And that is a brutal way to cure it.

Mr. Andras: Now I want to touch for just a minute on the reduction from 75 per cent to 66⅔ per cent affecting people on extended benefit periods and claimants with dependants. It is my view that this plan should be wage-related. I do not deny the need for more income for people with larger families, but I think this has to come through other programs, not through this. To those who disagree, I want to pose this question: If you disagree with this reduction from 75 per cent to 66⅔ per cent in respect of wage-earners who have families, and who therefore attract this additional benefit rate, would you agree to a reduction from 66⅔ per cent, as it is now, to 45 per cent, or 50 per cent or 55 per cent in the case of people who have no dependants?

Some hon. Members: Oh, oh!

An hon. Member: Where is your logic?

Mr. Andras: We shall pursue the matter further when we reach the committee stage.

Mr. Knowles (Winnipeg North Centre): Is that the best use you can make of your extended time?

Mr. Andras: There are those who argue that to approach this question with any sense of saving money is not a proper thing to do. I do not agree. I think we must all look carefully at expenditures and keep them in the right place. Before we get into committee I want to give hon. members our forecast of the financial implications of these amendments in terms of the benefits paid. The disqualification change we rate at a savings of $80 million. I am basing this on a 7 per cent unemployment rate, somewhat comparable to the rate this year. It would fluctuate in accordance with whatever unemployment rate we experience. The sickness benefit, increased flexibility, represents an additional cost of $15 million. The change in the qualifying and benefit period will mean an additional $15 million—that is a cost increase—and the change in the dependency rate represents a reduction of $30 million. The change in the provision respecting those 65 years of age and over represents a saving of $120 million.

Mr. Knowles (Winnipeg North Centre): Shame.

Mr. Andras: The advance pay change represents a $5 million savings. The total is $235 million, but for the sake of caution we have reduced it by some $35 million because there are overlaps between these programs. Hon. members know, of course, the figure that I have placed on the premium increase, so the total effect is the combination of those two.

● (1740)

I should like to be able to talk to the House more about the appeal system and about the administration which I think is vastly improved and worthy of great commendation to the people running the UIC. I should like to talk before committee about experience rating. I would also draw attention to the publication and circulation of the study a month or two ago on advance unemployment insurance statistics, for which we have all been waiting. The figures to which I have been referring, on an actual basis as they occur, will be available for examination and discussion in the public eye, so no longer can it be said that some information is not available. I will follow up the case problems put on *Hansard* and try to get back to each member who has indicated that a particular case is still outstanding.

In closing, Mr. Speaker, I look forward to a spirited discussion and debate before the standing committee when we reach that stage.

The Acting Speaker (Mr. Turner (London East)): Order. I have the honour to inform the House that the Clerk of the House has laid upon the table the seventh report of the Examiner of Petitions for Private Bills, praying for the passing of an act incorporating Northland Bank and, in French, Norbanque.

Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

Unemployment Insurance Act

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Call in the members.

The House divided on the motion (Mr. Andras) which was agreed to on the following division:

● (1750)

(*Division No. 76*)

YEAS

Messrs.

Abbott
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Blais
Boulanger
Breau
Caccia
Cafik
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corriveau
Cullen
Cyr
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Dupont
Duquet
Faulkner
Fleming
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Lachance
Lajoie
Lalonde
Lang
Langlois
Laniel
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
McIsaac
McRae
Milne
Morin (Mrs.)
Munro
(Hamilton East)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rompkey
Roy
(Timmins)
Sharp
Smith
(Saint-Jean)
Stewart
(Cochrane)
Stollery
Tessier
Trudeau
Trudel
Turner
(London East)
Watson
Whelan
Young—105.

NAYS

Messrs.

Allard
Baker
(Grenville-Carleton)
Balfour
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Caouette
(Villeneuve)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Forrestall
Fortin
Friesen
Gauthier
(Roberval)
Gilbert
Grafftey
Halliday
Hargrave
Hees
Hnatyshyn
Hogan
Horner
Hurlburt
Johnston
Jones
Kempling
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Laprise
La Salle
Lawrence
Leggatt
MacDonald
(Egmont)
MacKay
MacLean
Macquarrie
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Roche
Rodriguez
Saltsman
Schellenberger
Schumacher
Skoreyko
Stanfield
Stewart
(Marquette)
Symes
Towers
Wagner
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—86.

Bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

● (1810)

Mr. Speaker: It being six o'clock, this House stands adjourned until 2 p.m. tomorrow.

At 6.14 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 6, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIRPORTS

PROPOSED INQUIRY INTO DISPOSAL OF FUNDS RECEIVED FROM SALE OF SKY SHOPS STOCK BY SENATOR GIGUÈRE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the terms of Standing Order 43.

Some hon. Members: No, no.

Mr. Cossitt: —to move a motion of urgent and pressing necessity. This is a motion which is self-explanatory. I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Prime Minister advise the House whether or not the government has information in its possession that Senator Louis Giguère disposed of approximately $95,000 received from the sale of stock in Sky Shops Export Limited by passing on, after deducting expenses—

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Cossitt: Mr. Speaker, if the trained seals will stop talking so loudly I might be able to read my motion.

An hon. Member: Oh, sit down.

Some hon. Members: Hear, hear!

Mr. Cossitt: I do submit that a member of the opposition is entitled to read a motion without members on the government side of the House interfering with that right of free speech.

Some hon. Members: Oh, oh!

Mr. Cossitt: I would like to finish my motion if I may, Sir.

Some hon. Members: No, no!

Mr. Cossitt: The motion continues as follows:

—by passing on, after deducting expenses and making possible payment of capital gains tax, the balance of the remaining moneys to the campaign funds of the Liberal Party of Canada and, if so, whether the government will therefore consider this further reason for a full judicial inquiry into the entire situation with the terms of reference for such an inquiry to include complete examination of all donations received by the Liberal Party of Canada in the months preceding and following the federal election of October 30, 1972.

Some hon. Members: Oh, oh!

Mr. Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HIGHWAY SAFETY

PROPOSED INCREASED PENALTIES FOR SERIOUS DRIVING OFFENCES—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with a matter of urgent and pressing necessity.

Since a very high percentage of traffic accidents are due to reckless drivers who regularly violate the highway code and since Ontario Solicitor General Roy McMurtry has already made representations to have the federal government impose stricter penalties to drivers who are regularly guilty of serious motoring offences, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House consider the opportunity of imposing stricter penalties for drivers who are regularly guilty of serious driving violations and that these penalties include the suspension of the driving permit for periods up to a life term for drivers who are particularly careless.

● (1410)

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the hon. member's motion therefore cannot be put.

* * *

[*English*]

OLYMPIC GAMES

SUGGESTED TRANSFER OF SWIMMING AND DIVING EVENTS TO WINNIPEG—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43, I rise to propose a motion in a case of urgent and pressing necessity arising from the fact that there exists a very likely possibility that the major facilities for the Olympic games in Montreal will not be completed in time. In view of the fact that the

President of the International Olympic Committee, Lord Killanin, has indicated a willingness for partial decentralization of the games and because of the fact that Mayor Juba of Winnipeg today reaffirmed his offer to make the world's largest swimming and diving facilities in Winnipeg available to the organizing committee, it is obvious that the time has come for us to concern ourselves not only with the integrity of the mayor of Montreal but the integrity of Canada as a whole. Therefore I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this government, in order to safeguard its already vast financial and moral commitments to the games, request the olympic organizing committee to move the swimming and diving events to Winnipeg in order that COJO then may concentrate their construction efforts on the main stadium complex.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PROPOSED COMMITTEE STUDY OF ALLEGED MISLEADING STATEMENTS BY MEMBER FOR NIPISSING—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I too rise on a question of utmost urgency and importance. The matter relates to a statement made by a leader of the committee representing the Government of Canada in the State of Alaska. The statement by the hon. member for Nipissing (Mr. Blais) was made in reference to hearings held in the State of Alaska on the trans-Canada pipeline route. The hon. member defended a Canadian route to the press which quoted him in a front page report in the *Daily News Miner* of Fairbanks, Alaska on October 11, 1975 as saying, and I quote:

The native rights have been extinguished in the Northwest Territories;

And further that:

the provinces of Saskatchewan and British Columbia are not controlled by socialist governments;

And that:

foreign investment legislation is not enforced in Canada . . .

Mr. Speaker: Order, please. If the hon. member wishes to put a motion pursuant to Standing Order 43 he can do it forthwith.

Mr. Oberle: Mr. Speaker, in light of these misleading statements by the hon. member on behalf of the government, I move seconded by the hon. member for Moose Jaw (Mr. Neil):

That the government be required to issue a reference immediately to the appropriate committee of Parliament to inquire into the circumstances leading to these statements.

Mr. Speaker: Order, please. A motion under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

[Mr. Jelinek.]

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Postmaster General about the state of negotiations with the Post Office employees, whether the negotiations have broken off and what progress he can report to the House.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I thank the right hon. gentleman for the opportunity. Talks broke off about twelve o'clock at my insistence in my capacity as delegate of the Treasury Board. They broke off because all non-monetary items of substance had been resolved and initialled. I had offered a mandate which I felt was very fair, equitable and equal to that of the letter carriers and recommended by the conciliation board chairman of $1.70 over a period of 30 months plus a COLA clause, plus a weekend premium, plus shift differentials. I have no intention of recommending to my colleagues that that mandate be exceeded, a mandate which will have to eventually, if accepted by the union, be approved by the Anti-Inflation Board.

I feel morally that I have bargained in good conscience and that every copper within that mandate is now on the table for the union's acceptance. I gather they are meeting this evening to see whether to accept or reject it. I hope they will act in a democratic manner and place the package before their membership from one end of the country to the other so that the membership may have the opportunity of expressing itself democratically and without coercion on whether or not this is a satisfactory settlement in the light of the present conditions.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I just want to thank the Postmaster General for his reply. There are many questions that I would ask him but I would not wish to ask any that might prejudice a resolution of the issue, so I will leave it at that.

Some hon. Members: Hear, hear!

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON USE OF PART-TIME EMPLOYEES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question also for the Postmaster General. The minister said to the House that all non-monetary matters were settled. I should like to ask if what he said pertains also to the issue of part-time employees.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, questions relating to part-time employees and their participation in weekend premiums and shift differentials was not even the subject of negotiations because, in my opinion, if it is socially unacceptable for regular workers to work on weekends, it is socially unacceptable for part-time workers to do so also. That and the clause on automation was accepted some considerable time ago, and the only issue that remained was whether or not we are to exceed the recommendations of the independent chairman of the conciliation board.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I would like to be perfectly clear on this. At this point that is what I really want to do. It is my understanding—and will the minister correct me if I am wrong because I suspect it is very important in the negotiations—that in fact there has not been agreement achieved pertaining to part-time employees and, more specifically, concerning a formula that they have been discussing with the government representatives. As I understand it, their urging is that the government come forward with some specific formula pertaining to part-time employees, and this has not been done.

Mr. Mackasey: I must point out to the hon. gentleman that even if we were agreed on the formula this would not bring an end to the strike, which is significant. What is significant is that the strike will end only, in the opinion of the union, when we provide them with a 35 hour work week and a sum of money between 38 per cent and 52 per cent, which is completely irresponsible on the part of the union negotiators.

Some hon. Members: Hear, hear!

STRIKE OF INSIDE WORKERS—REASON GOVERNMENT OPPOSED TO LIFTING CEILING ON COLA CLAUSE

Mr. Edward Broadbent (Oshawa-Whitby): I conclude from what the minister said that the issue of part-time workers has not been settled, contrary to what he said earlier. Since one of the points the postal workers are asking the government to comply with is to lift the ceiling on the COLA clause, and in view of the fact that if the government's own anti-inflation program is successful next year, it need not worry from a financial point of view about lifting the ceiling on the COLA clause—and if its program is not successful, all the more reason for the workers directly affected to get the benefit of an increase, which would make up for the increase in the cost of living—why, in terms of this side of the monetary issue, will the government not agree to that?

● (1420)

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, at the moment there is only one bargaining unit with any COLA clause in the public service, and that is the letter carriers.

Mr. Broadbent: There should be more.

Mr. Rodriguez: Don't brag about it.

Mr. Mackasey: The only other was an arbitration award which would provide a sum of wages equal to the cost of living. If CUPW were to accept a COLA clause similar to the letter carriers, it would then be the second bargaining unit. This COLA clause is capped, but conceivably at the end of the contract, and since it is a cumulative feature, adjusted quarterly, it could result in an extra 60 cents an hour on top of the 30 cents extra which prevails at the time. That is much more generous than the COLA clauses which exists in the socialistic provinces of this country.

Some hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR DETAILS OF INTERVALS AT WHICH SALARY INCREASES EFFECTIVE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, the minister has just pointed out that the increase offered to letter carriers is $1.70 an hour, over a period of 30 months. Could he advise this House at what intervals the increase will be paid? Will there also be a raise geared to the cost of living index?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, it is not a collective agreement with letter carriers but with postal workers. I would prefer that the unions explain themselves to their members at what dates this increase of $1.70 will be distributed. I think it is the right of the union to tell its members the conditions of the agreement. I hope it will clearly explain our proposal to the membership across Canada.

* * *

[*English*]

AIRPORTS

DORVAL—LEASE TO SKY SHOPS—GENERAL POLICY OF PUBLIC TENDERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport arising out of the replies he has given in this House in respect of the lease extension granted Sky Shops Export Limited at Dorval.

In view of his remarks in the House, can the minister confirm for us that Mr. Eric Winsor of his department was correct in stating, as he did in his letter of March 17, 1970 to Mr. Lapointe, that, and I quote:

—it has always been the policy of the Department of Transport to invite general public tenders—

on such leases and lease extensions?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, that is, no doubt, an accurate statement of general policy, but in the case of any specific circumstances changes do occur.

Some hon. Members: Oh, oh!

Mr. Lang: It has indeed been the specific policy to take into consideration special circumstances.

An hon. Member: What are those?

Mr. Mazankowski: Don't try to cover up.

Some hon. Members: Oh, oh!

Mr. Lang: In the case of Dorval, certain extensions to leases without tender have been granted to bring them into line with a particular joint termination date. In the case of the Sky Shops lease in particular—a duty shop operation which was completely dependent upon international traffic for its viability—the decision to allow for an extension, which then had three years and seven months to go before the termination of the existing lease, permitted the construction of appropriate facilities far more suitable for the operation and was considered one of the circumstances which allowed for an extension without tender.

DORVAL—INQUIRY WHETHER LESSEE AT MALTON OFFERED EXTENSION SIMILAR TO SKY SHOPS WITHOUT COMPETITIVE BIDS

Mr. Elmer M. MacKay (Central Nova): I find that answer very interesting. The minister has placed emphasis on the gradual transfer of the duty free business from Dorval to Mirabel as a reason for this unusual lease extension to Sky Shops. Since during the same period this government was also proposing a new international airport at Pickering, can the minister tell the House whether the lessee at Malton was offered or given a similar extension without any opportunity for competitive bids?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think the hon. member may have missed a rather key point. There was in the proposal for Dorval a proposal for some important capital reconstruction. I do not know whether any similar situation existed in the case of Malton. In any case, the date of transfer of traffic was rather further away, if not, as it turned out, more hypothetical.

DORVAL—ALLEGED DEPARTMENTAL CONCERN ABOUT SPREAD IN RATES BETWEEN SKY SHOPS AND MALTON LESSEE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, a further supplementary. Can the minister explain the apparent contradiction between his statement yesterday that the rates in the Sky Shop lease compare "very directly" with rates charged at Malton when Mr. Winsor in the letter I referred to previously, stated at that time that he was concerned about the spread between the two and the fact that the lessee at Malton was paying 15 per cent even then in 1970 for a franchise which was not as all embracing as the one held by Sky Shops?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it would be helpful if we tried to be a little more careful about what our references—

An hon. Member: Right on!

Some hon. Members: Hear, hear!

Mr. Lang: I thank hon. members most sincerely for their support of that proposition. The hon. member for Central Nova I think is one of the more responsible members in the opposition and I wish—

[Mr. Lang.]

Some hon. Members: Hear, hear!

Mr. Lang: I, of course, do not have the particular letter in my hand, but I believe in fact there was no particular reference to the 15 per cent in it but that it was an addendum from other sources. That is one problem of accuracy which I know was unintentional. Secondly, the fact of the matter as I understand it at that particular point in time was that the Malton lease was on the basis of 15 per cent up to a particular level, namely, $150,000 in sales and then 5 per cent thereafter and was subsequently renegotiated to a figure of 15 per cent and 8 per cent after the $150,000 maximum. At the time in question, of course, the Dorval lease was very much out of line because that lease, having been entered into in 1964, was running at a 5 per cent level. In the letter from Mr. Winsor there was reference to the fact that certainly something closer to the Toronto level would be expected. In his letter he did not in fact go on to refer to the 15 per cent, if I am looking at the same letter or thinking of the letter to which the hon. member referred, although I know the hon. member added the 15 per cent in his own hand subsequently to that letter.

Some hon. Members: Oh, oh!

* * *

ADMINISTRATION OF JUSTICE

REQUEST FOR INVESTIGATION OF LEASE EXTENSION TO SKY SHOPS AT DORVAL—GOVERNMENT ACTION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Justice arising out of the information contained in the petition that has now been circulated, I understand, and is within the purvue of the minister, the petition signed and filed by the hon. member for Central Nova. Can the minister tell the House whether he and his advisers have reviewed this material in terms of the possible legal implication to the events involved and have they reached any conclusion or initiated any action as a result of that review? Particularly, I should like to ask whether the minister has conferred with the Solicitor General with respect to a possible RCMP investigation of this matter or whether he can inform the House if the RCMP is already on the case?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, in answer to all the questions, we are reviewing the material which was submitted to see whether there is appropriate action for the law officers of the Crown.

[*Translation*]

REQUEST FOR DETAILS OF PAROLE OF CLAUDE PITRE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the Solicitor General.

In view of the criminal kidnapping of a nine-year old child and extortion attemps committed yesterday in Montreal by four bandits, two of whom were on parole, under surveillance or not, and one of them Claude Pitre against whom I had asked for and obtained a 25-year imprisonment sentence in 1961 and whom I had called the Hold-up King, could the Solicitor General let the House know the

circumstances of their release on parole and what new steps he intends to take without any further delay to ensure the greater peace and security to which all the citizens of this country are entitled?

● (1430)

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, Claude Pitre had been sentenced to 25 years in 1961, as the hon. member pointed out. He served 14 years before being granted parole. He was granted day parole on November 4, 1974, and that seemed to work well. He had a job outside prison and worked steadily. On June 6, 1975, he was granted full parole and continued to work regularly. He was last seen by the parole supervisor on October 14, and November 4, and everything seemed to be going well until the unfortunate event of yesterday. I can only tell the hon. member that we have checked with the parole board. Seemingly, they had checked this matter thoroughly. They checked with the community authorities, and the police. The man had seemed to be working out all right after a long term of imprisonment. Despite all this, we are still looking for ways to make the parole system more secure. The Minister of Justice and I will shortly introduce such measures in this House.

[*Translation*]

SUGGESTED SUSPENSION OF ALL PAROLE TO PERMIT STUDY OF SYSTEM

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister.

Pending the introduction for review in the House of the new program the government has elaborated to fight against crime and violence, and as a means to improve the safety of the Canadian public, would the Prime Minister accept the following recommendation, namely that any parole under surveillance or otherwise and the related program be discontinued immediately for a period of some 90 days to give the House sufficient time to examine the government program and make sure the new legislation is enforced?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must say first of all that, not having examined the hon. member's proposition, I do not know if we could legally discontinue this program under the act. The National Parole Board has powers, and I do not think the government could automatically tell it what to do. On the other hand, as far as the basic problem is concerned, I do not believe the hon. member's proposition is especially humanitarian and progress-oriented, because it would apply indiscriminately to the deserving and the undeserving.

Mr. Wagner: Mr. Speaker, I have a last supplementary for the right hon. Prime Minister following the answer he has just given.

Considering that in the past, the government had recourse to and implemented the War Measures Act and also that they did not hesitate to implement controls, and that these measures can momentarily affect the liberty of some citizens, does not the Prime Minister believe that, as far as the security of citizens in general is concerned, a temporary parliamentary measure like the one I am suggesting, could be at least examined by the government?

Mr. Trudeau: Mr. Speaker, if I understand the hon member's reasoning, he would suggest that we should put aside the normal process of law to invoke the War Measures Act, which would grant us the power to do that.

Mr. Lambert (Edmonton West): Those were your words!

Mr. Trudeau: I beg your pardon, those were not my words, Mr. Speaker. I indicated to the hon. member that under the act the Parole Board had some powers and that I did not know whether we could intervene in spite of this act. The hon. member is also asking us to take arbitrary powers, since in my hypothesis the act does not allow us to do so, and he is suggesting that this should be done under the War Measures Act. I think he is going a little too far.

* * *

[*English*]

TRANSPORT

FREIGHT RATES—PROPOSED INCREASE IN RATES ON CATTLE—GOVERNMENT ACTION

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, my question is for the Minister of Transport. I have given him notice. It has to do with the intention of the railways to raise freight rates on live cattle on November 14, despite the specific reference on page 19 of the anti-inflation guidelines to regulated industry using their powers over prices and quality of service in order to ensure conformity with the guidelines. As the proposed increases are 15 per cent on single deck and 25 per cent on double deck cars and exceed the guidelines, which means, if the increase is implemented, that the cumulative increase imposed since January 1 of this year would amount to 64 per cent on single deck and 87 per cent on double deck cars, will the minister give assurance that he will take this matter under immediate consideration and do everything in his power to stop this unwarranted, undeserved and inflationary increase?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the BC Telephone decision showed how regulatory agencies can adjust their decisions to the guidelines. We intend, in relation to freight rates, to ask the Canadian Transport Commission to give a similar assurance that any changes in rates shall come within the guidelines.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—PROPOSED ESTABLISHMENT OF PRICE MONITORING COMMITTEES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Finance. It has to do with a price monitoring committee which has been formed, of course with no official status, on a voluntary basis in the constituency of Nickel Belt. This committee has monitored

increases in food costs since Thanksgiving Day. As our committee has received over 30 telephone calls a day reporting price increases on some items of up to 50 per cent, within as short a period as one hour, is the minister prepared to establish, or have the Anti-Inflation Board establish, in each population centre of Canada price monitoring committees which would make price increases public, accept complaints from citizens and file reports with the anti-inflation tribunal for investigation?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the first thought which comes to mind is the speech of the hon. gentleman's leader, who complained about the vast bureaucracy this would create. I think it would be more helpful if the hon. member would bring together those significant statistics and give them either to me or to the Anti-Inflation Board. I will be pleased and happy to consider them.

* * *

ENERGY

REQUEST FOR REPORT ON PROGRESS IN IMPLEMENTING CONSERVATION MEASURES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and follows on my motion of yesterday about the report of the International Energy Agency which was critical of steps our government has taken concerning energy conservation. Has the minister replied to this report which was published a few weeks ago? Also, will he ask the office of energy conservation to report on any follow-up measures which may be taken shortly?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the report to which the hon. member alluded created some misapprehensions. The point is that it compared the 1974 over 1973 performance of Canada and other countries. It did not point out that the economies of the other countries did not perform as actively as ours, and that their growth rates were slower than Canada's. Nor did it point out that prices increased more in those countries than in Canada. The comparisons, for these reasons, I do not think are fair to Canada. I agree with the hon. member, that there is a real need for energy conservation. I believe that the program we launched and announced this past year, the information program of which, indeed, was commented on by the International Energy Agency as one of the best of its kind so far as its information program is concerned. It is an important start. I urge the hon. member to make clear to the provinces that they have a part to play in this as well.

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EXTERNAL AFFAIRS

FAILURE OF FRANCE TO INVITE CANADA TO ECONOMIC SUMMIT MEETING—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Secretary of State for External Affairs. Some ten days ago I asked him a question concerning Canada being invited to the economic summit conference in Paris. At that time he said the matter had been brought to the attention of the president, or government, of France. What progress has been made since his last report to the House?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, in a sense, we have not progressed to the point at which Canada has been invited to attend the economic summit. We have been supported in our wish to be present at that summit by the President of the United States, the Chancellor of West Germany, the Prime Minister of Britain and the Prime Minister of Japan. They understand the arguments we have made, to the effect that Canada has a contribution to make at that conference, that we are economically important and that no other country can speak for Canada at that conference table. We still hope that the president of France will be persuaded that these are valid arguments which justify our presence at that summit.

● (1440)

Mr. Diefenbaker: Mr. Speaker, that is the same argument we have heard for weeks. I ask the minister whether representations had been made through the ambassador in Paris to the president of France about the humiliating position in which that country has placed Canada—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: —at the same time pretending that Canada is deserving of at least some consideration. Has that been made clear to the president of France? If not, I then ask the alternative. Is it not about time that we told them where they can go for placing Canada in that humiliating position of being on bended knee, asking France to permit Canada, whose contribution to France has been tremendous? Surely this country should receive at least reasonable consideration.

Mr. MacEachen: Mr. Speaker, I want to assure the right hon. gentleman that that is one posture Canada will not take in order to be represented at the conference, namely to go on bended knees for any purpose.

Some hon. Members: Hear, hear!

Mr. MacEachen: We are not going on our knees at all. We believe we have strong arguments for our presence. We hope they will convince the French president. I think it is quite clear that if the president of France continues to prevent our attendance at that conference, it will not be helpful in terms of our bilateral relations. However, for our part, we would not want that eventuality to occur.

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PRIME MINISTER'S OFFICE

APPOINTMENT OF MR. JUNEAU TO STAFF—REQUEST FOR OUTLINE OF DUTIES

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Prime Minister and I hope I might be permitted a short supplementary. Arising out of the manner in which

the Prime Minister has just today disposed of Pierre Juneau, the defeated Liberal candidate in Hochelaga, will he tell the House the details of the appointment of Pierre Juneau as a special assistant to his office—

Some hon. Members: Oh, oh!

Mr. Cossitt: —and specifically what duties Mr. Juneau will perform that are not now being performed by his already overly large staff?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Mr. Juneau will be filling the position of policy adviser.

Mr. Cossitt: Mr. Speaker, is this an extension, continuation or indication that government policy will continue to be appointing defeated Liberal candidates rejected by the people to high paying positions in the public service?

Some hon. Members: Hear, hear!

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CANADIAN NATIONAL RAILWAYS

REQUEST FOR ACTION TO ALLEVIATE NOISE FROM HUMPYARD IN EDMONTON

Mr. Steven E. Paproski (Edmonton Centre): Thank you for your recognition, Mr. Speaker. My question is for the Minister of Transport. There are still shrieks and squeals at the CNR humpyard in Edmonton. They are having a deleterious effect on the health of ten to 15,000 people. Little action has been taken lately to rectify this condition. Will the minister take it upon himself to intervene on behalf of these worthy citizens?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will certainly be glad to see whether I can ease the pain of any of the people in that neighbourhood. I know that CN has some plans to extend yard service in order to improve service out of Edmonton. However, I will check into the exact details in relation to the hump.

* * *

[*Translation*]

OLYMPIC GAMES

CANADIAN ATTITUDE TOWARDS U.N. RESOLUTION RESTRICTING SOUTH AFRICAN PARTICIPATION

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I should like to ask the Prime Minister a question.

Since Canada agreed last Thursday to co-sponsor a resolution put forward before the United Nations Special Political Commission censuring the restrictive practices by the Republic of South Africa in the selection of its athletes who are to take part in international sport competitions, and asked the member states to bar the South African athletes from those international competitions, has Canada considered the possibility, should the South African Republic change its selection policy, that our country would feel bound by this resolution and that as the host country for the 1976 Olympic Games we could not respect both the universality of the participation of athletes in the games and the recommendation expressed in the last part of the U.N. resolution?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as regards the rule, the hon. member is well aware of it. The athletes participating in the Olympic Games are the guests of the International Olympic Committee, and in the present circumstances, this committee has excluded the South African Republic from these games. The question is therefore not at issue. But the hon. member asked a supplementary question and I must say, Mr. Speaker, that it is hyothetical. What would happen if the South African Republic were to change its practices? I must say categorically to the hon. member that the International Committee would then have to revise its position. I think the best answer I can give the hon. member at the present time is the following: this assumption seems to me somewhat improbable until the next games, Mr. Speaker. Perhaps then, Mr. Speaker, I will be allowed to take the question as notice, to examine it, but for the time being, to consider it as purely hypothetical.

* * *

[*English*]

IMMIGRATION

REASON FOR REDUCTION IN NUMBER OF OFFICERS AT TORONTO AIRPORT

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. It has come to my attention that there is a serious cutback in the staff at terminals one and two at the Toronto airport for the clearing of immigrants coming into Canada. Has the minister given approval to reduce the department there by 1,400 man-years in order to help Treasury Board to re-allocate those man-years to fill the new department responsible for administering the wage and price controls?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Definitely not, Mr. Speaker.

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AIR TRANSPORT

SUGGESTED REVIEW OF REGULATION TO PERMIT GREATER COMPETITION BETWEEN CARRIERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Transport. In view of the minister's announced program of reviewing all aspects of air transportation in Canada, is the minister giving consideration to the removal or modification of existing restrictive regulations to allow a greater degree of competition in the interests of the travelling consumer, by airlines such as CP Air, and regional carriers and possibly having the additional benefit of tightening the Air Canada operation as well?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question of how much additional competition can be

brought into the system will certainly be a concern of mine.

* * *

INDIAN AFFAIRS

AGREEMENT ON LAND CLAIMS WITH NATIVES IN JAMES BAY AREA OF QUEBEC—PROPOSED TIME EXTENSION FOR INUIT TO COMPLETE NEGOTIATIONS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the fact that the draft agreement of settlement with the native people in the James Bay area is being considered by a standing committee of the Quebec assembly, in view of the fact the hearings will continue until at least the end of this week in order to deal with the matter, and in view of the fact that meaningful negotiations cannot take place during that period of time, will the minister now consider extending the time to enable the Inuit people to complete their negotiations?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is my understanding that negotiations will be conducted again tomorrow and over the weekend with the Inuit people. That was my information as late as yesterday. I think we may really find a way to accommodate the concern that they secure some additional time.

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[*Translation*]

AGRICULTURE

MEASURES TO PERMIT PRODUCERS TO COMPETE WITH IMPORTED CHEESE

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

To encourage cheese production and enable Canada to resume its place on European markets, especially the English market, is the minister considering either the revival of the quality premium for cheese, or possibly an export premium to allow us to compete with English cheese imports in Canada?

● (1450)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): We are certainly concerned about dairy production in Canada, including cheese production. As I told the dairy farmers yesterday, we have six months in which to work out a proper program of cheese production in Canada, covering imports and so on.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, a supplementary.

Because of the huge quantity of French cheeses imported into Canada, as a result of the grants the French government gives its producers, which results in what one could almost call dumping in Canada, has the minister considered doing the same thing in Canada by giving the producers grants to encourage them to export their cheese to Europe?

[*English*]

Mr. Whelan: I have no evidence of cheese being dumped into Canada by any country at the present time. However, some Canadian consumers appear to be willing to pay as much as $4 a pound for certain of the imported cheeses; they do not seem to be aware that we make high quality cheese in Canada—as many as 60 varieties—and that there is no need for us to import cheese as far as I am concerned. We are concerned about developing a proper program. For instance, we in Canada spend $50 million advertising liquor and other beverages and only $8 million advertising dairy products.

* * *

ENERGY

SYNCRUDE PROJECT—REASON FOR FAILURE TO FORMALIZE AGREEMENT AND APPOINT GOVERNMENT REPRESENTATIVES TO BOARD

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. It concerns the Syncrude project. In view of the fact that an agreement in principle was reached in Winnipeg last February 3 in connection with the project and in view of the fact that public money to the extent of $100 million has been invested in it, will the minister advise the House why no government appointments have been made to the board of directors and will he also tell us why the agreement has not yet been formally incorporated into a legal document which the House might examine to determine whether the public interest is protected.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The hon. member has himself given the answer to the first part of the question. It is because there is no agreement yet that we have not appointed a director to the board. As to the reason for the lack of an agreement at this time, all I can say is that negotiations are proceeding with the province of Alberta and we are hopeful there will be a successful conclusion in the very near future.

Mr. Leggatt: The minister uses the phrase "in the very near future". Could he be more specific? Can he give us an outside date by which the House will have an opportunity of looking into an agreement and considering the appointees to the board so that we shall be in a position to protect the $100 million of public money invested in that project in the absence of any legal agreement?

Mr. Gillespie: We are confident that an agreement will be concluded very shortly. As to the reasons for which an agreement has not yet been signed, there is a difficulty with the province of Alberta over certain of the principles which were agreed to in Winnipeg, and with respect to the price of certain utilities which would be supplied to the over-all project.

HUMAN RIGHTS

ALLEGATION BILL C-72 DOES NOT PREVENT INVASION OF PRIVACY BY FEDERAL GOVERNMENT—GOVERNMENT POSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Justice. May I ask the minister whether, since he assumed his new responsibilities, he has had the opportunity to study the portion of Bill C-72 which relates to privacy and, if so, is he giving consideration to withdrawing that portion of the bill on the grounds that, while it provides for broad exemptions that can be used to legitimize the development of secret files on individuals, it does absolutely nothing to prevent invasions of individual privacy by the federal government?

Hon. Ron Basford (Minister of Justice): I recognize the concern expressed in the hon. member's question. I have not had a chance to read the bill, simply because it is not coming before the House in the immediate future. Obviously, I intend to do so and, of course, the bill will ultimately come before the committee of the House where all comments and suggestions made about it can be considered.

* * *

INDIAN AFFAIRS

PROPOSED IMMEDIATE TESTING OF NATIVES LIVING ALONG MISTASSINI AND MATTAGAMI RIVERS FOR MERCURY POISONING

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Minister of Indian Affairs. In view of the fact that the federal department of health declines to conduct appropriate testing of the health of native peoples on the Mistassini and Mattagami rivers until the Department of the Environment has surveyed the mercury content of fish in the affected areas, and since many of these people are suspected to be suffering from, or do suffer from, mercury poisoning, will the minister urge immediate action by the department of health and the Department of the Environment before acts of civil disobedience by these native people take place?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): It is my understanding that these tests are already being conducted. In fact, several of the individuals involved have been flown to Montreal Neurological Institute for further testing. I am somewhat puzzled by the suggestion that there is a refusal to test.

Mr. Brisco: According to Chief Otter Eyes of the grand council of the Cree, that is not in accordance with the facts. The principal concern of the Indians relates to the fact that they have lost their fish production; they are living on welfare and the government has done nothing to enable them to supplement their incomes with any other means of livelihood.

Mr. Buchanan: There is no question there is a very genuine problem as far as normal activities are concerned, but I think Mr. Otter Eyes was himself one of the individuals flown to the Montreal Neurological Institute.

AGRICULTURE

REDUCTION IN VOLUME OF INDUSTRIAL MILK TO BE SUBSIDIZED—REASON FOR FAILURE TO CONSULT CANADIAN DAIRY COMMISSION

Mr. John Wise (Elgin): Mr. Speaker, may I address a question to the Minister of Agriculture? It relates to the announcement made by the minister last Tuesday in which he told us there was to be a reduction to the extent of about 5 per cent in the volume of industrial milk to be subsidized. This will result in a decrease amounting to some $13 million for the dairy year 1976-77 which will commence on April 1 next? Can the minister tell the House why he took this action without first of all consulting the supply and management committee of the Canadian Dairy Commission established in 1970 primarily for such purposes?

Hon. E. F. Whelan (Minister of Agriculture): The consultative committee with which the Canadian Dairy Commission meets were fully aware of the reduction in subsidy to take place next year. Their main concern when they met with me yesterday related to the proposal for the importation of specialty and other cheeses from other parts of the world—that they had to share this market. They were fully aware that when I said last April that I had enough money for 100 million hundredweight of milk they had to live within that quota. This allowed for a 5 per cent increase. They are above that level; they know it, and I have only so much money for this program.

* * *

[*Translation*]

URBAN AFFAIRS

URBAN RENEWAL—SUGGESTED IMMEDIATE PAYMENT OF FUNDS TO QUEBEC FOR PROGRAM

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I wish to ask a question of the Minister of State for Urban Affairs.

As an agreement in principle has been reached a few months ago between the federal government, the Quebec government and the City of Montreal, under which federal funds will be allocated to Quebec under the Neighbourhood Improvement Program and in view of the fact, particularly, that in spite of the agreement those programs are not yet effective in the Montreal area, can the minister tell the House what prevents those programs from working at this moment, and what action he intends to undertake with the provincial and municipal authorities to make these funds available as soon as possible?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): We have been concerned about the delay. We are waiting for an agreement with Quebec on the rehabilitation program. I spoke to the minister responsible and to the president of the Quebec Housing Corporation on Monday. I understand there is a letter on my desk—I haven't seen it—which indicates that we do not need an agreement now, and that they will allow us to go ahead directly with the city of Montreal immediately.

Presence of Brigadiers Don Holmes and Clay Beattie

TRANSPORT

LACK OF STOCK CARS IN WESTERN CANADA—GOVERNMENT ACTION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport. I should like to ask the minister why, when the cattlemen of Canada have been going through a period of depression, the railways are adding to their problem by failing to provide stock cars for eastern buyers who consequently bid lower, taking into account the added cost of having to keep cattle in the yard after purchasing them.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there was an exchange in the House on this subject the other day. I have subsequently determined that there are cars in every region of the country and not just six west of Moose Jaw as earlier reported. CP alone had 100 in Alberta a day or two ago on the day of my report. As I indicated in the House, there is no way in which the railways can be expected to provide all the double decked or single decked cars required for the movement of cattle all over the prairies. If all the movement occurs within a short one or two-week period this is a physical impossibility which I do not think any of us should expect the railways to meet.

● (1500)

Mr. Korchinski: Mr. Speaker, in spite of the fact that these figures would indicate there are cars in western Canada sitting on sidings which are required at the stockyards why does it seem to be taking as long as three weeks for the return of these cars from eastern Canada?

Mr. Lang: Mr. Speaker, I am not sure whether the hon. member is suggesting that there is a longer return than usual, but both the railways have reported that they are keeping up with the handling and the return of the cars at a very good rate. If the hon. member has heard something specific about cars standing at sidings, I would be glad to chase down that particular story for him in order to determine why they were there for any length of time.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRIGADIER GENERAL DON HOLMES AND BRIGADIER GENERAL CLAY BEATTIE

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I should like to call attention to the presence in the gallery of two distinguished members of the Canadian armed forces. One is Brigadier General Don Holmes who returned recently to Canada after commanding our peacekeeping forces in the Middle East for the past two years.

Some hon. Members: Hear, hear!

Mr. Richardson: With him is Brigadier General Clay Beattie who has commanded our peacekeeping forces on Cyprus for the past three years and continues in that capacity as well as being Chief of Staff for the entire United Nations' force in Cyprus.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I wonder whether the government House leader will tell us what he has in store for us for the rest of this week and for next week. Also, is he able to tell us what restraints he is going to place on the time of the House?

Mr. Sharp: Mr. Speaker, today we will take second reading and, hopefully, committee of the whole stage of Bill C-65. This will be followed not later than as the first business tomorrow by second reading of Bill C-52. On Monday and Tuesday, as hon. members know, the House will not be sitting. On Wednesday we will resume second reading of Bill C-58.

An hon. Member: Hurrah!

Mr. Sharp: Second reading of Bill C-58 has already been discussed for four or five days in the House and I wish to discuss with the House leaders the possibility of getting an allocation of time to complete second reading so that the bill may be referred to the committee, where I think it deserves most careful consideration. As long as it is at second reading stage, as it has been for five days, very little progress can be made. I think the House should make the decision to refer the bill to committee, and I hope I receive the co-operation of the other House leaders in this respect.

An hon. Member: Withdraw the bill.

Mr. Sharp: May I also take the opportunity to announce the allotted days for the balance of the period ending December 10. These allotted days will be Friday, November 14; Thursday, November 20; Monday, November 24; Friday, December 5; and Tuesday, December 9.

Mr. Baldwin: Mr. Speaker, in respect of the point raised by the government House leader, according to past practice the decision of this party will be made known in due course with regard to Bill C-58. In the event that the bill is completed before the end of next week, can the government House leader tell us what else he has in store for us?

Mr. Sharp: Mr. Speaker, the next order of business I would like to call is Bill C-20, the Citizenship Act.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I put my two Thursday questions to the government House leader? They relate to House business. In view of the promise on several occasions that we would soon have the bill to amend the Government Annuities Act, can we be assured that we will have it in time to deal with it before Christmas? My second question relates to the bill

regarding Canadian veterans who were prisoners of war. Has that bill yet been approved by the cabinet?

Mr. Sharp: The answer to the first question is yes; and to the second question, no.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, is the bill respecting prisoners of war still under consideration?

Mr. Sharp: Yes, Mr. Speaker.

Mr. Marshall: Mr. Speaker, as a suitable gesture of some significance, in view of the fact that within a few days we will be celebrating Remembrance Day, and in view of a number of answers we have received which have been negative or evasive in respect of prisoners of war legislation, will the government House leader assure the House that we will indeed see that legislation before the Christmas recess?

Mr. Sharp: Mr. Speaker, I cannot commit my colleagues. I can only repeat what I have already said in reply to the question put by the hon. member for Winnipeg North Centre, that the matter is under active consideration by the cabinet.

Mr. Speaker: Order, please. If there are no other members who want to contribute to the discussion of this matter raised by the hon. member for Peace River—

Mr. MacDonald (Egmont): Mr. Speaker, my question has reference to item No. 17 under government business, namely, the motion regarding the broadcasting and telecasting of this House and its committees which has been on the order paper since June 11. Can the minister assure us that action will be taken on this matter before we recess for Christmas?

Mr. Sharp: Mr. Speaker, I would inform the House, as I informed the House leaders of the various parties, that the government is preparing material in answer to the kind of questions to which we know members of the House would like answers, so that when we do discuss this matter we will be discussing it on the basis of full knowledge of the implications.

An hon. Member: Before Christmas?

Mr. Sharp: Mr. Speaker, I am not quite sure whether we will be able to call this item before December 19, but I assure the hon. member that it is a project still very much in my mind.

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PRIVILEGE

MR. BROADBENT; MR. RODRIGUEZ; MR. COSSITT—SPEAKER'S RULING

Mr. Speaker: Order, please. Yesterday a question of privilege was raised by the hon. member for Oshawa-Whitby (Mr. Broadbent) and a related question of privilege was raised by the hon. member for Nickel Belt (Mr. Rodriguez). On the previous day a point of order was raised by the hon. member for Leeds (Mr. Cossitt) during the period set aside for responding to questions on the order paper.

Having regard to the point of order raised by the hon. member for Leeds, as I indicated at the time I have some concern about it in view of the fact that the hon. member was basically complaining about the fact that, in response to a question he had placed on the order paper, the reply by the government suggested that reference should be made to a certain citation in Beauchesne's which would indicate that the question was clearly out of order. The point of order raised by the hon. member for Leeds can easily be set aside directly, in the sense that, since there is no obligation on the part of the government to answer questions, there can be no point of order by an hon. member who has received an answer which is unsatisfactory to him. However, the matter is not quite so simple.

The point of order raised by the hon. member for Leeds two days ago raises a very important question. Since there is no obligation on the ministry to answer questions which are placed on the order paper, it has been the attitude of the Chair and the administration here that the Chair should not unnecessarily interpose itself between the question on the order paper and the response or lack thereof, as the case may be. That is to say, it has not been looked upon by the Chair as its obligation to examine with great scrutiny or great care the procedural regularity of questions put on the order paper. This is not to say that the Chair does not intervene; there have been many occasions when the Chair has intervened and suggested to hon. members that a question is clearly out of order and ought not to be put forward. However, that is about the limit of the intervention.

If it is seen that answers may be made with reference to the procedural regularity of the question, and that this in turn will cause a grievance or a point of order on the part of the hon. member who has put the question on the order paper, it certainly is not the intention of the Chair to change the practice of intervening or establishing a more substantial presence between the questioner and the person to whom the question is put. Therefore, I say at this point that the point of order is set aside but I propose to ask the House leaders and perhaps the procedure committee whether it is time for some organization, whether it be composed of administrative officials of the House, members of the Chair staff and/or members of the House of Commons, to formulate the responsibility of scrutinizing and intervening in respect of questions which are put on the order paper, so that those which are not in order will not proceed and, therefore, the situation cannot arise again. Again I say it is not the intention of the Chair to take that step, but I propose to ask the House leaders and, perhaps, in turn the procedure committee whether that might be a desirable development.

● (1510)

The point of order, as I say, is officially set aside on the ground that, since there is no obligation to answer a question, no point of order lies if an improper or unsatisfactory answer is made. But I will ask for advice as to whether something should now be done to determine whether some scrutiny should be made of questions put on the order paper, from the procedural point of view.

I now turn to the questions of privilege raised by the hon. member for Oshawa-Whitby and the hon. member for Nickel Belt concerning the proceedings of the Royal Commission on the Concentration of Corporate Power. These questions involve the availability of, and charge for, minutes of proceedings of that royal commission to hon. members of this House. Both hon. members have raised a very legitimate and important grievance about a source of irritation affecting them in their work as members of the House.

Parliamentary privilege, of course, has very narrow scope, but I am sure hon. members are unanimous that it ought to remain that way. In effect, I suppose everything that affects the disposition of a member in his attitude toward his work, or the facility with which he is able to carry out his duties, could be construed in the widest possible sense as influencing or affecting his ability to perform as a member. However, that has never been the interpretation. In fact, the interpretation has been narrowed to almost physical resistance which prevents a member actually carrying out his ability to speak in the House or his ability physically to fulfil his duties as a member. I am sure I am on safe ground in saying that we would be unwilling to extend the privileges of Parliament to include complaints about the proper attitude or service, particularly of bodies that lie outside the parliamentary scope and in the area of a royal commission.

I say, again, that both hon. members have brought to the attention of the House—I hope with some effect—the practice of a royal commission in making available its proceedings to members of the House. I hope the point has not gone unheeded, but I must say that under the strict technical interpretation and very tight definition of a question of privilege that has been respected by this House for so long, in neither case does a prima facie question of privilege lie.

Mr. Whelan: Mr. Speaker, in response to a question I answered that $50 million was spent on whisky advertising. I should have said all alcoholic beverages and soft drinks.

Mr. MacKay: Mr. Speaker, I have a very brief question of privilege. I am concerned about a possible ambiguity or misinterpretation between the Minister of Transport (Mr. Lang) and myself this afternoon. We have already worked it out between us, but I hope the minister will agree he was not inferring that any of the information I filed would constitute editorializing with regard to the information I gave him.

Mr. Lang: Mr. Speaker, I would confirm that I was not suggesting any improper additions, certainly not by the hon. member. I was referring to the fact that the letter from Mr. Winsor in no way stated that it was 50 per cent, which would have been an inaccuracy on his part. The reference to the "15" and "5" in the letter which was supplied to me by the hon. member is in handwriting and was apparently added at a subsequent time.

Mr. Cossitt: Mr. Speaker, in my point of order I should like to refer to a supplementary question I asked a short while ago of the Prime Minister (Mr. Trudeau) about whether the appointment of Pierre Juneau to his office as a special assistant indicated continuation of government policy to appoint defeated Liberals to high office in the public service. I realize, Mr. Speaker, as you have pointed out on a number of occasions and did so a few moments ago, that no minister, including the Prime Minister, is obliged to answer any question. I therefore understand the embarrassed silence when the Prime Minister did not answer the question.

Mr. Speaker: Order, please. I would feel it unjust to allow the hon. member for Leeds (Mr. Cossitt) to continue giving the impression that it was a choice of the Prime Minister whether to make an answer to the question. It was, in fact, a ruling by the Chair that the question was not in order.

Mr. MacDonald (Egmont): Mr. Speaker, in a way this matter is related to the ruling you have made on the point of order. It relates to the oral question period. It is a well known rule, and Your Honour just referred to it, that ministers are not obliged to give answers to any questions put to them. However, this afternoon, in respect of the question I put to the Minister of Energy, Mines and Resources (Mr. Gillespie), I very clearly stated my question and the minister gave a very long answer which bore no relationship to the question. This created difficulties for yourself and for other hon. members and took up valuable time of the House. It did not permit ample time, either, for me to ask a supplementary or to pursue the specifics of the question of energy conservation. I think it should be made clear to ministers that if they are not willing to answer questions, they should remain silent rather than take up the valuable time of the House with non-answers.

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IMMIGRATION POLICY

Third report of Special Joint Committee on Immigration Policy—Mr. O'Connell.

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

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[*Translation*]

DOMINION-PROVINCIAL RELATIONS

TABLING OF CORRESPONDENCE WITH PROVINCES ON FOREIGN OWNERSHIP OF LAND

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, pursuant to Standing Order 41(2), I should like to table copies in both official languages of the letters I have sent to the various premiers—

[*English*]

—on the subject of foreign ownership of land, and I hope to table shortly the report of the federal-provincial committee on ownership of land.

INDIAN AFFAIRS

TABLING OF DRAFT AGREEMENT CONCERNING GRAND COUNCIL OF CREES AND NORTHERN QUEBEC INUIT ASSOCIATION

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I wish to table, under the provisions of Standing Order 41(2), copies in both official languages of a draft of the text of an agreement reached between the Government of Canada, the Government of Quebec and its agencies, the Grand Council of the Crees and the Northern Quebec Inuit Association.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,530, 2,935, 3,005, 3,125, 3,152, 3,176, 3,177, 3,189, 3,199 and 3,239.

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

[*Text*]

SUPPLYING OF INFORMATION CONCERNING CBC

Question No. 2,530—**Mr. Cossitt:**

With reference to the answer to Question No. 2,295 which stated in part: "it has not been customary to require the C.B.C. to supply such details of its internal management and administration" (a) on what date and by whom was such a policy arrived at (b) what are all the reasons justifying such a decision (c) will the government agree to a change in this policy by making available to Parliament answers to all requests for legitimate information concerning CBC and its operations and (i) if so, on what date (ii) if not, for what reason?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): In reply to parts (a) and (b), I am informed by the Canadian Broadcasting Corporation as follows: (a) and (b) parliament has not, as a matter of custom since the corporation's creation in 1936, required CBC to supply, in answering parliamentary questions, certain details of its internal management and administration. It is understood that parliament has had two reasons for following this custom: first, the independence of the CBC as a Crown corporation, established for the purpose of producing and broadcasting, independently of political or commercial interference, programs for a national program service; and, secondly, the competitive nature of many of CBC's activities. The appropriateness of the CBC providing certain categories of information has been considered on many occasions by various parliamentary committees and when the CBC has suggested that such information should not be made a matter of public record, its views have been accepted by them. Names of staff members and their functions in relation to specific programs and the costs related to such assignments, as requested in question No. 2,295, are examples of details which it has not been customary to require the CBC to supply. It is open to parliament to discuss the policies it and the CBC have followed in this regard and it would be appropriate to

review them when the CBC's estimates are before the House of Commons Committee on Broadcasting, Films and Assistance to the Arts. (c) No. The government makes available all information requested by members except where publication would be inconsistent with the mandate given to the corporation by parliament. This principle is well established and accepted with respect to information about government agencies and Crown corporations which are in competition with the private sector.

FILMS INVESTED IN BY CFDC

Question No. 2,935—**Mr. Friesen:**

With reference to the answer to Part 1 of Question No. 2,412, of the films underwritten in whole or in part by the Canadian Film Development Corporation (a) how many were X rated (b) which ones were actually completed?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Film Development Corporation as follows: (a) Film classification is under provincial jurisdiction and varies in form from one province to another. (b) As of November 1, 1975, "Jos Carbone", "M'en revenant par les épinettes", and "The Far Shore" (1974-75) are in the final stages of production. "The Beast", "Floralie où es-tu?" (1972-73), and "Moss Tarts" (1973-74) are not completed.

NUMBER OF CANADIANS WHO RECEIVED CFDC GRANTS

Question No. 3,005—**Mr. Friesen:**

1. With reference to the answer to Question No. 2,412, how many persons who received grants from the Canadian Film Development Corporation were Canadian citizens?

2. What is the percentage relationship of citizens to non-citizens receiving such grants?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Film Development Corporation as follows: 1. The answer to question No. 2,412 listed production companies which received assistance in the form of investments from the Canadian Film Development Corporation. All these companies are incorporated under the laws of Canada or a province.

2. See answer to part 1.

BOOKLET "OFFICIAL LANGUAGES POLICY"

Question No. 3,125—**Mr. Cossitt:**

1. Did the Department of National Health and Welfare issue a booklet entitled *Official Languages Policy* and subtitled *Promulgated July 31, 1975* and, if so (a) how many copies were printed (b) what was the total cost of such printing (c) how many persons have received or will receive the booklet?

2. Who are all those involved in writing the booklet along with their job designations?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Yes. (a) 12,000 copies. (b) $2,926.50. (c) All 9,000 departmental employees have received the booklet and all new incoming employees will receive it.

2. The director, Official Languages Program, in the Department of National Health and Welfare.

Order Paper Questions

NEW HORIZONS—GRANTS TO CONSTITUENCY OF RICHMOND

Question No. 3,152—**Mr. Beaudoin:**

1. Since the inception of the New Horizons programme, how much money has been granted to the Constituency of Richmond?

2. For each project approved, what are the (a) titles (b) amounts allocated (c) years (d) municipalities concerned (e) number of pensioners concerned?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. $70,710.

(a)	(b)	(c)	(d)	(e)
Club d'Âge d'Or	$1,950.	1972-1973	Ham-Nord	75
Club d'Âge d'Or Tingwick	$5,541.	1972-1973	Tingwick	86
Club d'Âge d'Or de South Durham	$4,070.	1973-1974	South Durham	70
Club d'Âge d'Or de Disraéli	$1,916.	1973-1974	Disraéli	125
Club Âge d'Or Weedon Inc.	$3,673.	1973-1974	Weedon	95
Les Retraités de St-Georges de Windsor	$2,482.	1973-1974	St-Georges de Windsor	170
Club Nouveaux Horizons	$1,310.	1973-1974	Ham-Nord	80
Club de l'Âge d'Or	$4,000.	1974-1975	Bischopton	60
Club de l'Âge d'Or	$3,654.	1974-1975	St-Andrien de Ham	37
Mouvement des femmes chrétiennes et foyers chrétiens	$3,500.	1974-1975	Asbestos	45
Fraternité 50 Ans et plus	$4,904.	1975-1976	Windsor	158
Le Club Joyeux de l'Âge d'Or	$5,551.	1975-1976	Richmond Nord	80
Club Âge d'Or	$4,084.	1975-1976	Tingwick	177
Centre communautaire du 3e Âge	$5,665.	1975-1976	St-Fortunat	63
Club de l'Âge d'Or de Notre-Dame de Ham	$3,299.	1975-1976	Notre-Dame de Ham	32
Les "Amis de Beaulac"	$7,656.	1975-1976	Garthby	60
Club de l'Amitié	$7,455.	1975-1976	St-Paul-de-Chester	63

[Mr. Lalonde.]

INDOOR CAR PARKING FACILITIES AT AIRPORTS

Question No. 3,176—**Mr. Reynolds:**

Do the international airports at Montreal and Toronto have indoor car parking and did the Department of Transport recently close the indoor parking at the Vancouver International Airport and, if so, are there any future plans for indoor parking at the Vancouver International Airport in Richmond, British Columbia?

Hon. Otto E. Lang (Minister of Transport): At Montreal International Airport no indoor parking is provided. At Toronto International Airport indoor parking is available at Terminal 1, but not at Terminal 2. At Vancouver International Airport, the indoor parking area will be converted to an international arrivals area and alternate parking facilities have been provided. The feasibility of a parking structure is being studied.

NORTHERN ROADS PROGRAM

Question No. 3,177—**Mr. Marshall:**

1. Under the Northern Roads Policy requesting Yukon and Northwest Territories communities and industry to help formulate a northern roads programme for the next ten years, has any consideration been given by the Department of Indian Affairs and Northern Development to the inclusion of all of Canada especially the areas of Northern Newfoundland and Labrador and, if not, for what reason?

2. Does the government agree that these areas have been neglected, and, if so, what is its intention to compensate for this neglect?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. No. Responsibility for roads policy development within a province rests with the respective provincial governments. Only in the Yukon and the Northwest Territories is road development policy under the jurisdiction of the federal government.

2. See Beauchesne, (Chapter V, Section 171(bb)).

UNEMPLOYMENT INSURANCE PREMIUMS AND CLAIMS

Question No. 3,189—**Mr. Orlikow:**

1. How much was collected in unemployment insurance premiums in each province and territory for the years 1973, 1974 and 1975?

2. How much was paid in unemployment insurance claims in each province and territory for the years 1973, 1974 and 1975?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of National Revenue and the Unemployment Insurance Commission as follows: 1. See Table 5, line 35, of the 1975 edition of "Taxation Statistics", available at Information Canada. This information pertains only to 1973 as 1974 data is not tabulated until all returns have been filed and 1975 data will not be accumulated until 1976. This item (unemployment insurance premiums) is the amount deducted for premiums paid for unemployment insurance and withheld by the employer less any overpayment of premiums to be refunded.

2. See Statistics Canada Publication 73-001 entitled "Statistical Report on the Operation of the Unemployment Insurance Act."

HOUSING FUNDS REQUESTED BY INDIAN BANDS

Question No. 3,199—**Mr. Howie:**

How much money was (a) requested by the bands (b) granted by the Department of Indian Affairs and Northern Development for housing (i) construction (ii) renovation (iii) repairs (iv) maintenance on the Indian Reserves in St. Mary's, Kingsclear and Oromocto, New Brunswick?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development):

Reserve		Amount requested	Amount granted
St. Mary's	(i)	$ 70,000	$30,000
	(ii)	–	$ 8,000
	(iii)	$ 70,500	$ 5,000
	(iv)	–	–
Kingsclear	(i)	$120,000	$20,000
	(ii)	–	$13,198
	(iii)	$ 20,000	–
	(iv)	–	–
Oromocto	(i)	$ 50,000	$10,000
	(ii)	–	$ 5,000
	(iii)	$ 10,000	$ 7,430
	(iv)	–	–

ENTRANCE FEES TO P.E.I. NATIONAL PARK

Question No. 3,239—**Mr. Macquarrie:**

1. Since March 30, 1975, how many letters, telegrams or other messages from groups and individuals has the Minister of Indian Affairs and Northern Development received in opposition to the imposition of entrance fees to the Prince Edward Island National Park?

2. For the same period, how many messages have been received favoring such imposition?

3. What expenditures have already been made in erecting toll houses or otherwise preparing for the imposition of entrance fees for the Park?

4. How many visitors entered the National Parks of the Atlantic provinces in the summer seasons of (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Forty-nine. In addition, a telegram bearing 4,000 names, addressed to the Prime Minister was referred to the department.

2. None.

3. $73,840.

4. (a) 3,907,800. (b) 3,707,000. (c) 2,925,800. (d) 3,147,500. (e) 3,680,600. (f) 3,360,700.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENTS RESPECTING TAX ON CORPORATE BORROWING, INCOME FROM MINERAL RESOURCES, AND PERSONAL INCOME

Hon. Mitchell Sharp (for the Minister of Finance) moved that Bill C-65, to amend the statute law relating to income tax (No. 2), be read the second time and referred to committee of the whole.

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, Bill C-65 is now before us for second reading. It contains important measures designed to promote the growth of investment to sustain the needs of the Canadian economy. Specifically, there are three measures related to investment. The first is a tax credit for investment purposes in production facilities. The second is a withholding tax for long-term corporate borrowings. The third is a resource allowance and change in tax rate for mining and petroleum.

There are also two other points I should like to cover. One is related to a reduction in tax credit for high income individuals and the second is certain technical amendments. Respecting the first amendment which I mentioned, an investment tax credit, as the House is aware, this government has in the past introduced tax incentives to promote the growth of a strong manufacturing sector in the Canadian economy. The high level of business investment which has been experienced in Canada in recent years is ample evidence of the success of this policy. Nevertheless, as I need hardly point out, new conditions have been thrust upon us and it cannot be assumed that the existing incentives are sufficient to sustain the necessary level of investment. Uncertain economic conditions erode business confidence and high financing costs jeopardize investment projects. Furthermore, competitive pressures from abroad are increasing and we will need to remain competitive as other economies recover. It is, therefore, essential that Canada should do everything possible, within revenue constraints, to provide extra support to sustain investment until current inflationary pressures are brought under control.

● (1520)

Accordingly, this bill introduces an investment tax credit as a temporary, extra incentive for investment in a wide range of new productive facilities. The rate of the credit will be 5 per cent of the taxpayer's investment in eligible property; that is to say, the cost of his investment would be reduced by 5 per cent and his rate of return thereby improved. Eligible assets would include new machinery and equipment, as well as new buildings, which are to be used primarily for manufacturing or processing in Canada. In addition, new equipment and new buildings to be used in the primary industries of mining, petroleum, logging, farming and fishing would also be eligible. This temporary incentive will remain in effect until June, 1977. The cost of the credit, which would be borne entirely by the federal treasury, will be about $200 million in this fiscal year.

I should like to make a few remarks on the second point which I mentioned earlier, namely, exceptions from withholding tax. The bill before the House will also relieve the difficulties being encountered by corporations in financing their capital investment. In recent years, an undue proportion of corporate borrowing has been of a short-term nature, and with the pressure on domestic financial markets it would be desirable to facilitate long-term borrowing from abroad. The application of withholding tax can be an impediment to borrowing funds from abroad; accordingly, this bill provides temporary exemption from the non-resident withholding tax for long-term corporate debt which is issued before 1979. This temporary exemption parallels that which is provided for government securities. There is already evidence that this amendment will have its desired effect.

The third point concerns resource allowance. Another important component of this bill is a fiscal program which will promote the adequate development of our resources. The resource allowance, which is a new concept introduced in this bill, will provide a more efficient way to encourage exploration and development for petroleum and minerals and, at the same time, recognize a provincial request for recognition of their resource levies. The resource allowance will be a deduction in computing the corporation's taxable income and will be equal to 25 per cent of its resource profits before the deduction of exploration and development expenditures, interest and depletion allowances. At the same time, the regular corporate tax rate would in the future apply to petroleum and mineral profits.

The combined effect of these two measures is that exploration and development expenditures and depletion allowances would become deductible against the full corporate tax rate, thereby decreasing the after-tax costs of such activity and increasing the effectiveness of these incentives. With these changes, I believe we will have a better system for taxing these resource industries and, at the same time, one which will maintain a fair share of revenue for the benefit of all of Canada. It is estimated that federal tax revenues for the balance of this decade will be reduced slightly, by some $40 million annually. However, with the change proposed in the federal tax structure, more tax will be collected from corporations which do little exploration and less from those which have extensive exploration programs.

The relative sharing of revenues between the federal and provincial governments and industry is substantially unchanged. Since the federal government will still have only a modest share of resource production revenue, the portion of revenues accruing to industry depends primarily on provincial action. In this respect, I am encouraged by the further adjustments which have been made by some of the provinces and we can hopefully look forward to greater stability in the fiscal arrangements for these industries. In this connection, it is often contended in some quarters that the gradual increase in the Canadian price of crude oil does little to increase the development of reserves, since it is claimed that hardly any of the price increase is available for industry. I would like to make it quite clear to the House that this is not so. Under the revised tax and royalty arrangements there is still plenty of incentive for those corporations that wish to explore.

[Mr. Trudel.]

According to our estimates, based on information representative of the industry as a whole, the portion of the recent price increase of $1.50 which can be retained by the industry in 1976 will be 28 cents even without further exploration; with maximum exploration the funds reinvested could be as high as 71 cents out of the $1.50. Surely this will provide the appropriate fiscal climate for the industry's future exploration program, yet at the same time retain adequate government revenues.

I will be very brief on the fourth point, namely, personal tax credit. Clause 3 of this bill reduces the maximum federal tax credit from $750 to $500. This reduction increases taxes only for taxpayers who have taxable income in excess of $22,973, to be exact. All other taxpayers will continue to receive a tax credit of 8 per cent, with a minimum credit of $200. This measure, which does not affect provincial taxes, will generate an extra $50 million of revenue in a full year.

The next point is on technical amendments. There are three other technical amendments to which I would draw the attention of the House. First, the amendment contained in clause 2 creates a more generous mechanism to transfer the benefit of the interest and dividend deduction as between spouses. As the transfer provision now stands, it ensures that if a supporting spouse's claim for his dependent spouse has been reduced because the dependent spouse has received dividend or interest income, the marital exemption may be restored by the amount of the spouse's interest or dividend deduction that would otherwise be lost. This meant that in 1975 the most that could be transferred was $666. The new mechanism would simply transfer all the unused benefit from the dependent spouse to the supporting spouse. In consequence, a maximum transfer of $1,000 could be made.

Second, clause 9 of the bill requires that in order to be eligible for the credit for contributions to registered parties and candidates, the donation must be in the form of cash or a cheque. This amendment, which was agreed to by representatives of all parties, ensures that no deduction will be given for the donation of time and services. In this regard it provides rules parallel to those which are applied to charitable donations.

Third, clause 10 of the bill sets out more effective contribution limits for registered retirement savings plans. It has been discovered that it was possible, with the co-operation of employers, for many employees to obtain the full deduction of pension plan contributions, plus the full deduction of registered retirement savings plans contributions in respect of the same year. This meant that instead of employees getting a maximum yearly deduction of $2,500 in respect of the combined contributions to a registered retirement savings plan and to a pension plan, as contemplated by parliament, some were able to get deductions of up to $5,000. Clause 10 will close this loophole.

In conclusion, this bill contains four important fiscal measures. First, the tax credit for investment in productive facilities; second, an exemption from withholding tax for long-term corporate borrowings; third, a more efficient system for taxing resource industries; and fourth, a reduction in tax credit for high income individuals. I believe these measures will make an important contribution to expanding the productive capacity of this country to

ensure adequate growth during the time when the program to combat inflation begins to take hold, and I urge all hon. members of this House support the bill.

● (1530)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this afternoon the first words which must be pronounced in this debate, following those of the Parliamentary Secretary to the Minister of Finance (Mr. Trudel), are words of congratulation to an old friend who has finally made it to, shall I say, a very prestigious post.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): We have known him from old as a very capable, very congenial and co-operative chairman of the Standing Committee on Finance, Trade and Economic Affairs, and I am very pleased that he has now come to the position of Parliamentary Secretary to the Minister of Finance. After all, one could speculate in this regard, looking at the members on the treasury benches and seeing how many of them have been parliamentary secretaries to ministers of finance, and I immediately look around and see the new Minister of National Revenue (Mr. Cullen) who was the hon. member's immediate predecessor.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Having said that, I now turn to the bill because, as someone has said, to every flower there must be tied a brick. I am not going to fix the parliamentary secretary with any responsibility for the contents of this bill, and I am not going to fix the Minister of Finance (Mr. Macdonald) with responsibility for its contents except to the extent that he was a member of the ministry which presented the budget on June 23 last.

It is very anti-climactic today to become overly excited about Bill C-65 which deals with a number of budget proposals touching on income tax. Some of them are of a remedial or tidying-up nature and some are of a corrective nature in that the government is trying to undo some of the horrible mischief and havoc which was created before by the 1974 budgets, especially among the resource industries; however, my colleague the hon. member for Regina East (Mr. Balfour) will deal with that subject much more adequately than I can. The hon. member for Halton-Wentworth (Mr. Kempling) will deal with investment credits, manufacturing, processing and that sort of thing. My chief concern this afternoon is to see that, hopefully, this debate will take a reasonable time. I do not think it should last the whole day in committee of the whole House and I hope we can deal with this matter expeditiously and get on with other matters.

First, I should like to take issue with the parliamentary secretary and the ministry in dealing with the last point raised by the parliamentary secretary. That is the move by the tax department—I should be talking to the Minister of National Revenue, because this is the sort of thing which is inspired down in his department—to plug the loophole, so-called, between registered retirement savings plans and registered pension plans, and saying that an individual cannot avail himself of the two provisions. I want to know why. If an individual is in a position or in employment where a condition of the employment is that there is a registered retirement plan, why on earth discourage him from going as well into a registered retirement savings plan? The savings plan is an investment plan.

We hear exhortations from one side to the other from the government about saving and investing but right away, on the other hand, comes a disincentive to do it, a prohibition. As a matter of fact, this point came up during the course of last winter. A delegation of railroad men visited me. They had heard about this move. It is a condition—I want the Minister of National Revenue to ponder upon this—of employment with the railroaders that they have a registered retirement plan to which they make no contribution. This is done by the employer. These individuals want to participate in a registered retirement savings plan because they do not want to reach age 65 and say, "Here I am; support me", as far too many people in this country are induced to do. They are induced to think that the state will support them with the old age pension, but the old age pension was never designed for total support.

However, here an individual, through an RRSP, may make provision for himself and his wife in the event of his decease is to be precluded from providing a comfortable retirement for his widow unless he pays the full shot. Why this discouragement? As far as I am concerned, this is a retrograde step. It may be all very nice from an administrative point of view—but why do it? Why not encourage people to invest on both sides? In the same way, why is it not possible, for example, for a member of parliament to enter into a registered retirement savings plan? Everything is taken up by his retirement pension; the whole allowance is taken up and there is no possibility of getting into a registered retirement savings plan.

Why should an individual not be allowed to do that? There is no favouritism shown to any individual when he is encouraged to save. It would be far better for Canadian businesses if they could have access to funds saved by Canadians. Then we would not have to have all sorts of artificial rules with regard to Canadianization of Canadian corporations. We would not get into the nonsense we will be getting into with Bill C-58, where we have artificial rules simply because people do not have money to invest. It is difficult to get at Canadian money, because we have a savage tax system. Our income tax system is one of the most savage in the world when we compare ourselves with countries with whom we compete. I am not talking about the type of tax system they have in Britain. We know where Britain is going; it is going down. Far too many good Brits come to Canada—true, to our advantage—and those who remain are being bled, bled, bled to the point where there is no longer any initiative, no encouragement.

Why do we have to try to do that to Canadians as well? The government has plenty of other revenue. Surely we have to stop this madness and let people benefit from the fruits of their labour, their initiative and their thrift. I know I am making a Conservative speech and hon. members of the party to my left who are egalitarian and say, "To each his own. Take what you want, but put back as little as you"—

● (1540)

Mr. Cullen: You are leaving yourself open.

Mr. Lambert (Edmonton West): They did yesterday. The hon. member for New Westminister (Mr. Leggatt) yesterday expounded on that theme.

Mr. Douglas (Nanaimo-Cowichan-The Islands): From each, according to his abilities.

Mr. Lambert (Edmonton West): That is, put in what you care to; take out what you want.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is a Conservative interpretation.

Mr. Lambert (Edmonton West): That is everybody's interpretation of it. I think I have made the point and I will not belabour it. It was a good move to consider the spouse where both spouses are taxpayers. If the unused portion of the investment credit, whether interest or grossed up dividends, was unused by one spouse it could be used by the other in whole or part and an appropriate portion could be transferred. This applies to a taxpaying couple who have investment income to a potential of $2,000, because if there are dividends from Canadian corporations it is not that much. I think that is a step in the right direction.

As far as a tax cut is concerned, it would only apply to plumbers, electricians or mechanical engineers in the metro area. I think it is beginning to include some electricians and carpenters in the province of Alberta who will have up to and over the $22,000 income referred to by the parliamentary secretary in order to come within the reduced ceiling of the tax cut. In the lexicon of the New Democratic Party in the last year we have seen a new term, those people called the middle income people. Most of their people are middle income. Teachers certainly—some university professors are higher income people—and tradesmen too. Those are the categories of people who will be affected. On the basis of one set of expenditures there need not have been any change in the tax cut. We know the minister said in June that there would be a budgetary deficit of about $3½ billion, but it is now likely to be $5½ billion or nearer $7 billion. The $5½ billion stuck in my memory as the cash requirement for this year. I am not going to object to this change and I do not think my colleagues will.

There are some changes with regard to political donations that I think are of a very technical nature, but they have not caused us any problems. Having covered the high points of this bill, I would recommend to my colleagues that we give it second reading and move as quickly as possible, after the other second reading speeches, to consider the bill clause by clause.

Mr. Max Saltsman (Waterloo-Cambridge): Madam Speaker, I should like to join all members of the House in congratulating the hon. member for Montreal-Bourassa (Mr. Trudel), the hon. parliamentary secretary. We are delighted to see him back in the House and on his feet after his serious accident.

Some hon. Members: Hear, hear!

Mr. Saltsman: All his friends are most pleased with his excellent reading of the speech. In some ways, it may even be an improvement over what we had a right to expect.

[Mr. Cullen.]

The hon. member is a man of good and common sense, but as I listened to the hon. member for Edmonton West (Mr. Lambert) suggesting he might become minister of finance some day, I was rather appalled because it seems the minute one becomes minister of finance, no matter how much common sense one has, it leaves him.

Mr. Cullen: That is only in NDP governments.

Mr. Saltsman: I am not going to be quite as accommodating on this bill as the hon. member for Edmonton West. I think it is a thoroughly bad kind of budget, not so much in what it does, because it does not do a great deal, but in what it does not do. If we needed any further convincing that we are dealing with a government that in many ways seems devoid of common sense, we have the evidence of Bill C-65 before us to confirm that view. Whatever rationale these budget measures may have had when they were originally introduced, that rationale has disappeared with the introduction of the government restraint measures. Now those restraint measures are a central policy set of measures; they are virtually the cornerstone, from here on, of all government policies. For the next three years all government policies will have to revolve around about those measures.

In looking at the various other things that come before this House, we have to ask ourselves to what extent, whether it is a budgetary measure, a monetary measure or an industrial development measure, it fits in with the government's avowed intention on the restraint program. The restraint program is important to the government to the extent that the Prime Minister (Mr. Trudeau) has staked the life of his government on making it work. Many of the people in the government are staking their reputations on making it work. It is in that context that we have to look at this particular budget.

We are told that other policy measures that have come before the House will be judged by the restraint program. For instance, yesterday we were debating the unemployment insurance amendments. The argument made for some of the changes to the Unemployment Insurance Act was that they tied in with the government's policy of restraint. I am surprised that in presenting this measure to the House so little has been said. I do not recall anything being said about the way these budget measures are going to tie in with the restraint program.

I am sorry that the Minister of Finance (Mr. Macdonald) is not in the House. I understand that he has important business to attend to and could not be here. In his wrestling inflation to the ground, the minister often looks as though his shorts are coming down and this leaves him in a rather vulnerable and ridiculous position. By whatever logic one wants to look at the government's restraint program, it is quite clear that the only effective restraint in that program at the moment is restraint on wages. In the other elements that it is supposed to restrain, profits, dividends, professional incomes and interest rates, the government realizes—as I think most people do—that it cannot be done. These things can only be restrained directly in a minor way. It is difficult to come to grips with profits by setting margins. Margins over what? Over when? How do you measure profits? To what extent do you

want to work directly on profits because of the consequences such work would have on them?

● (1550)

For obvious reasons, the government has backed off dividends. It could not make dividend controls stick. Even if it could, it is not sure it wants to. As for rents, the government was to set up some rental review boards but this, again, will be an imperfect attack. As for professional incomes, the government itself acknowledges that there is no way to restrain professional incomes. Speaker after speaker from both sides of the House pointed out that controlling professional incomes is all but impossible. The argument about interest rates is that no one can control interest rates; they are part of an international phenomenon and we must live with them as best we can.

Therefore we come to the central part of the government's incomes policy, the restraint of wages alone. This has brought on, justifiably I think, much bitterness in this country, and not because Canadians generally, or those in the trade union movement, oppose an incomes policy. Probably, most in this country support an incomes policy. Most in this country feel that an incomes policy is necessary. The question is, will the incomes policy treat all forms of income alike, or will it take the short cut and control only salaries and wages? That is the thrust of the present policy.

The government argues—with merit, I think—that it is difficult to control all elements of society directly with an incomes policy. Probably they are right. As the government sees it, they can control directly with ceilings and guidelines, wages and salaries. If that is right, it is vital to make our income tax system more fair. Increments in profits, dividends, rents, professional income and interest income should be taxed away under the Income Tax Act; but that will not be done. This bill goes in the opposite direction. I leave aside the treatment of income over $22,000 and other minor provisions affecting income at that level. Other provisions governing resource taxation, the 5 per cent investment tax credit, and the removal of the withholding tax on interest on long-term corporate bonds all make it easier for capital to work profitably. Actually, capital is treated better than some of the other elements of society.

What has been this country's tax policy? Let us go back a number of years. We will find that the thrust of our income tax policy has been to place the greater part of the tax burden on the middle income earner and a smaller part on the corporate sector. The corporate sector has been largely relieved of its responsibility to contribute to society. A succession of tax measures increased depreciation allowances and therefore improved the profit potential of the businesses concerned. This was done deliberately and consciously. Recently the government lowered the proportion of total taxes corporations must pay. This bill rescinds none of these measures. There is no gesture to restore corporate taxes to previous levels. Present levels are scarcely in harmony with legislation which seeks to be fair, which seeks to implement an incomes policy.

If the government expects confidence, and expects people to co-operate willingly on any policy of restraint, it will need to bring in a new budget which will cancel some of the measures I have mentioned. In addition, this bill ought to be withdrawn. It does not fit the times. If anything, it will exacerbate our present condition, not improve it. I suggest that the government should withdraw this bill and introduce a new budget which should contain measures which will make it possible for all Canadians to live with an incomes policy.

What should the new budget do? First, it should provide for a sharply progressive rate of income tax because, admittedly, incomes other than straight wages and salaries will escape the restraint program. We should introduce a sharply graduated income tax, or a surtax, with which to recover excess income and make it less desirable for certain people to push up their incomes. At present, many areas of the economy are not covered effectively by the restraint policy and the government cannot recapture a substantial proportion of additional incomes exceeding the guidelines which certain people are earning. The guy who works in the factory is not happy to see his wages controlled, particularly after he has tried to catch up for three years in which corporate profits have soared. He will not be content to see his wages restrained while people better able to pay taxes escape paying their fair share. If you are to make any incomes policy work, you must make the tax system more progressive. In addition, the new budget should provide for tax credits for those unable to pay taxes.

The government argues that we need the restraint program in order to help those whose bargaining position is weak. Well, let us help them—not with talk, not with rhetoric, but with concrete action. Let us give the poor tax credits and so improve their bargaining power. The poor should be compensated for their lack of bargaining power. A properly structured tax system, that is, a sharply graduated tax system, will tax more heavily those with high incomes and give tax credits to those whose incomes are low. Further, the budget should restore the balance between what the corporate sector pays and what individuals pay by way of income tax. This restoration is long overdue and is necessary if the government wants to retain credibility. If the restraint program is to be credible, surely the government must collect more taxes from corporations. But it is not doing this. If anything, the thrust of government policy has relieved the corporations of their obligation to pay their fair share.

Obviously, some people will say I am advocating socialism. They will say, "You want to take from the rich and give to the poor. That is nothing less than income redistribution." I admit that that is part of socialist policy. Of course, socialism is more than that. But my suggested program is a necessary concomitant to any incomes policy because the minute you bring in an incomes policy you move in the socialist direction. The minute the government says, "No longer will we let the free market decide how much any individual or group is to get", it denies the validity of the so-called free enterprise system and says that it is not working, is not functioning properly, is not fair and the public must intervene in the setting of incomes.

On what rationale can you intervene in the setting of incomes? How are you to do it? How are you to decide how much "A" is to get and how much "B" is to get? It is

impossible. Ultimately, society concludes—whether it be capitalist or socialist—that we must move in the direction of egalitarianism. You must move to sit on those whose incomes are high, restraining them more than those at the bottom. More than that, you have to take from those whose incomes are high and bring up those at the bottom. This means that the only kind of incomes policy that has any chance of working in the long run is one that moves in the direction of egalitarianism or equalization of income.

● (1600)

I see that my friends in the Conservative party are slightly appalled at that suggestion. They should have thought of that when they started talking about wage and price controls. It cannot work. It cannot be acceptable in any other form. Any kind of policy-setting by public design that does not move in the direction of egalitarianism will not be acceptable to society. Those who bring it in without understanding the consequences are making a terrible error in judgment. It does not mean that when you get through with this exercise, everyone's income will be the same. No one knows at what point society will say it has had enough egalitarianism and we must stop. Whether there should be a ratio of 1 to 3 for those at the top, 1 to 2, or 1 to 1 is a decision that society has to make.

What I am arguing is that any incomes policy must be seen to be moving in that direction in order to have any hope of success. As far as the tax bill before us is concerned, there is very little beyond the one measure that moves in that direction. Quite the contrary; it moves in the opposite direction, with those who get their income by profits and dividends being more favoured.

Mr. Lambert (Edmonton West): Because they saved.

Mr. Saltsman: The hon. member for Edmonton West says it is because they saved. I am sure it is because they saved. Obviously, you cannot take taxes from those who do not have any money. However, it must also be said that the poor would love to save. The poor do not have anything against saving. They would love to save if only they had enough money to save. In order to save, you need to have some kind of surplus.

Surely the hon. member is not going back to the sixteenth or seventeenth century where saving was a sign of virtue and all people had an equal opportunity to save. The way to have money today is by denying yourself; all you have to do is look around society and you will see how true that is. I know that those who deny themselves the least are the ones who save the most. They have enough to live on, as well as enough to save. Those who deny themselves the most are the ones who cannot save anything. They do not have enough to live on, let alone to save. The idea of saving being a Calvinist virtue and rewarding beyond measure those that save is not supported by either the facts or the logic of the situation.

We are looking at an inflation policy and budgetary measures that really have to deal with all sorts of problems in our society. I am sure that when he has an opportunity, the parliamentary secretary will tell me that this budget and this bill were not designed to do those things I am talking about but to stimulate investment, and for no other purpose. If he says that, I will be inclined to agree with him. That is certainly the purpose of this budget. What I am saying is that that kind of budget is out of whack with other things the government is trying to do.

We in Canada have far more than an inflation problem. At the moment, we are all very much concerned about inflation. We should be concerned. It is a serious problem, something that must be dealt with by public policy. However, in the course of dealing with inflation we should not lose sight of two other important measures. One I have referred to is the need for egalitarianism, equality in a democratic society, and the need to use the tax system for that purpose. The other important point is that at the same time as we are moving in the direction of equality and controlling inflation we must be doing something about unemployment. Unemployment is a serious problem. It may not be quite the personal tragedy it was before we had unemployment insurance and other social welfare measures; however, it is a national tragedy of the greatest importance.

It has been estimated that every 1 per cent of unemployment results in a loss to the gross national product of between $2 billion and $3 billion a year. We pay out almost $4 billion a year on unemployment insurance. That probably results in a loss to our gross national product of upward of $10 billion. Statisticians deplore the fact that our gross national product is not growing. They say this is because people are not working hard, or something else is happening. They ignore the fact that it is not growing because of the enormous level of unemployment we have in this country. You cannot expect the gross national product to grow under those circumstances.

I do not think the gross national product is everything. It is not the end of life. However, it is important for many reasons. It is important because we have many problems in our society and we need wealth to solve them. Also, we have a responsibility to other parts of the world which desperately need our help and resources. When we waste our resources and talents, and mismanage our economy, we are short-changing the hungry and desperate of the world who need our help. It is immoral not to give help and it is immoral to destroy the basis on which that help could be based. Therefore, it is important that we get back to full employment as soon as possible. I want to discuss that question in conjunction with the kind of stimulation that is needed in the budget.

The rationale for an incomes policy is this: if you do not have an incomes policy and you stimulate the economy to full employment, you get an unacceptable level of inflation. Therefore, a restraint policy is brought in for the purpose of containing inflation while at the same time moving to full employment. A restraint program cannot be justified on any other basis except that you are using it as a way of moving toward full employment.

There is virtually nothing in the budget measures before us to give anyone any degree of confidence that we are moving toward full employment. In view of this restraint program, what we should be doing in budgetary measures is stimulating the economy by increase purchasing power. We can do that by providing purchasing power at the lowest end of the income scale, to those who need to spend, to those who want to spend and to those who have the greatest need. We do not need to do that by stimulating

savings. Savings are important, but we have learned that savings in themselves do not serve any useful purpose. Savings are only important when they become investment. There is no necessary connection between savings and investment. Those who have studied Keynes and have worked with that theory have been rather convincing in demonstrating that saving can just as soon put you into a depression as into anything else. The important thing is investment.

● (1610)

The question arises: how is this investment to be encouraged? Until now, the policy of the government, of which this budget measure is an extension, has been to stimulate business investment directly by increasing capital cost allowances, reducing corporate taxation, allowing a 5 per cent investment tax credit, and so on. Mr. Speaker, we have passed through a period of years during which there has probably never been a greater stimulus to investment in this country. I am referring to the last three or four years. What has been the result? Despite the fact that the climate for investment has been most favourable, by and large investors have not responded. The government has fallen over itself to make sure that conditions here are among the most favourable in the world.

When the United States brought in the DISC program, the rationale for moving to take measures in the taxation field was to offset the effects of that program in order to make investment as attractive here as it is in the United States. What has been the result? We still find unemployment running at 8 per cent. So where is the stimulation? The point is that unemployment in Canada is not related to investment. The nation has enormous unused capacity. Given confidence in the economy and purchasing power in the hands of the people, there would be no problem. The machinery is sitting around idle. It is under-used. Without providing any additional investment, we could easily put hundreds of thousands of people back to work.

The problem is not lack of investment. It is under-consumption and lack of confidence in the future of our economy. If a situation is conducive to profitability, a businessman does not need to be stimulated to invest. In these conditions, you cannot stop them investing. If there is purchasing power around, and if a prospect of profit exists, a businessman will find ways of investing without regard to government stimulation or lack of it. In the long run, the most effective way of encouraging investment or the employment which goes with that kind of investment is by increasing purchasing power, and there is nothing in the budget which moves in that direction.

This budget really comes from another age. One might have thought the government would have anticipated some of the views which have been recently expressed. After all, hon. gentlemen opposite always talk about a contingency plan which is lying around somewhere. There were all kinds of things they could do. But somehow or other nothing effective emerged, and every time and emergency was discovered it was dealt with in one way or another. Well, the last emergency was the resignation of the hon. member for Ottawa-Carleton (Mr. Turner) as minister of finance. The hon. member for Ottawa-Carleton may have left the treasury benches, but the melody lingers on. This is his budget. This is his idea, brought in in another age, under another set of circumstances, and being brought before the House for approval although, in fact, it should have been withdrawn and new budget measures placed before the House, measures which would harmonize with the new objectives of the government.

I am not saying that a budget of itself would bail us out of the mess in which we find ourselves. I do not think that can be said. Nor can an incomes policy of itself prove to be of any significant value. But if there is to be hope in this country, any kind of confidence in our economy, the various measures brought forward must mesh with each other and make sense. It is on this basis we reject the bill before us and the measures it contains. It does not make sense. It does not meet the problems we are facing today. The sooner the government withdraws it and replaces it with something intelligent, the better off the country will be.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I shall be brief because, like hon. members who spoke before me, I hope this bill will be referred as soon as possible to the Committee of the Whole.

First, I wish to congratulate the Parliamentary Secretary to the Minister (Mr. Trudel) for introducing this bill and I welcome him back to this House after his serious accident. When I heard about it I told myself: I think his political life is finished. But I realize that there are miracles and we are very happy today to see the parliamentary secretary back in the House discharging his new duties. We wish him a fast recovery.

Mr. Speaker, this government is a past master at presenting bills like the one before us. It concerns tax credits promoting investments by big corporations first and to encourage to a lesser degree medium size companies and not at all the individuals.

I think that is the extent of the bill. We are very satisfied with the encouragement given in the fields of mines, oil and gas because, necessarily, the government must do something in that respect if we want to meet our needs in the years to come. I hope that some day Canada will cease to depend on foreign countries because a country becomes independent to the extent where it can be self-sufficient. I believe that the encouragement in those fields is a step in the right direction. However, I believe that the government should keep its eye open.

We always speak about granting funds to big corporations for exploration, drillings, and mineral exploration. In some other fields we have also been granting funds for research. However, I think that the government has no way of knowing if those amounts paid by taxpayers are really spent for exploration and if they really meet their objective.

● (1620)

Now, I understand part of it is actually spent on research, but when you examine the budget of those companies you often realize that only 30 or 35 per cent of federal grants do go into research. There are so many accounting tricks and those companies have such expertise in rigging books that research value in the end is minute. This does not mean we should stop granting tax credit as a form of incentive to those companies exploring for raw

materials. But I just wanted to insist on those remarks for everyone nowadays in aware of shameful abuses in that respect, and I meant to bring that matter to the government's attention, hoping they will keep a closer watch in the future.

As regards small savers, again I think little effort is made. They are asked and urged to invest. In my opinion, if the government were serious, they actually would provide incentives for small savers to invest. I believe our economy as a whole would benefit from that. People think there is no capital available. Well, there is, and I think the government would progress tremendously if for two years they stopped taxing new capital entering the market as an incentive to new investors. There is so much money hidden today, which people cannot take out, because the government is there like an ogre, ready to lay hands on everything and empty all chests through all sorts of taxes.

If ever the day comes when government will not tolerate tax relief, will not even grant tax exemptions to have hidden moneys unfrozen, we shall be left without investments. You know that everyday we meet people who do not look rich. I meet farmers in the country and some of them who do not look rich at all ask us to try and hide $50,000, $60,000 or $75,000 they do not want to declare because they would be crushed by taxes. That is when you realize that if one day the government decided to let that money which could help the economy come out I think it would be helping first the whole country by allowing those people to invest money that they cannot bring out because they will have to give up 50 per cent or 60 per cent in taxes. I do not blame them. Indeed, I do not blame them at all. I simply say to them, you are doing the right thing, keep it in your wool sock, because you are going to get about 30 per cent or 35 per cent that will give you a return.

I think that the effort is not great enough in that direction. It is all very well for the government to say we need investment, we need small investors, but the only way is, as I suggested earlier, to give a special exemption for a new capital that would come on the market. It is understood, as the speaker of the New Democratic Party suggested earlier, that a small businessman, a small industrialist invests to meet consumer needs. That's the snag because until the government decides to encourage consumers many small investors will be forced to practice restriction like now.

We have to use restraint because of consumers' lack of purchasing power. In turn, they cannot pay because workers are overtaxed. In other words, their basic exemption is too low. If the government decided tomorrow that the basic exemption for single people were to be $4,000 instead of $1,800, and $7,000 for couples, buying potential would increase. This would spur our secondary industry, our small industry. Large manufacturers would profit thereby. This would boost the economy. Our Canadian economy cannot reasonably be revived without first increasing buying power. And the only way to do that today is to increase basic exemptions.

Labour leaders cry for higher salaries. We are all running like mad after salaries. Fatter pay cheques are not the solution. As one farmer put it: It does not matter what amounts of money we are getting all year long. What counts is what is left over come year end. As I said, the important thing is what is left over. The rest, the amount of money earned, is relative.

A worker may earn $5, $6 or $7 an hour. With today's inflation, a $7,000 basic exemption for man and wife, and $1,000 per child, that makes for basic guaranteed income. Without that, he will find his buying power does not balance his expenses. It does not even balance his debts, because prices rise too fast. Things are going so fast now that we realize salaries cannot match price levels. Because for the last four or five years, every big corporation, every manufacturer has been increasing production by 30, 40 or 50 per cent, while salaries have been tending to catch up for a few years at most, for 18 months.

I think that if the unions worked together they would be strong enough to say: To begin with, we will ask a reasonable basic allowance. And then, we will try to have wages equalized. I think that from that point of view, an actual promotion of investment would be undertaken, because he who has the means will encourage those who want to reinvest in his trade or industry. I think that it is a step forward to develop our economy.

Finally, I will dwell on that later, the bill refers to gifts to political parties. I think that explanations are in order because some difficulties have been encountered. Those who have not experienced any have often been encouraged and protected by politicians. There have been some difficulties, because when we consider both acts, the Income Tax Act and the Canada Elections Act, we note that some provisions are contradictory. Besides, this was confirmed the other day by senior officials.

The two acts are in contradiction. I believe that the act must be clear and precise because people have faith in it. They are told: Your receipts are not valid. They are made up in accordance with the Income Tax Act, but not with the regulations established by the chief electoral officer. This is where we need some clarification, in my opinion. We can try all we want to play on words today, but I believe that we should be discussing the legislation which was implemented in 1974. It is not really the people who have been trapped between the two acts. I look forward to the discussion in committee of the whole because we shall certainly ask for some precisions on this point.

Mr. Guay (Lévis): Right now!

Mr. Gauthier (Roberval): The hon. member for Lévis said: Right now. We shall do so in two or three minutes if there are no other speakers. For my part, Mr. Speaker, I shall certainly not delay the discussion.

Now, there is no mention of the interest rates. The first point, in my opinion, if we sincerely wish to slow down the economy, is the basic exemption, and the second point is the freeze on interest rates. Before freezing anything else, including wages, prices and incomes, we should first of all freeze the interest rates. I cannot forgive the government for not having done so. I was on the committee on finance, trade and economic affairs when the ceiling on bank interests was removed. This was done by an irresponsible government, Mr. Speaker. I strongly objected to this and I will never forgive the government for having removed the ceiling.

Today, a bank or any individual can lend money at an interest of 10, 15, 20, 30 or 200 per cent. The legislation on usurious practices no longer applies. This is why inflation increases, Mr. Speaker. If an individual is in trouble with the bank over an 11 or 11½ per cent interest rate, to get out of trouble, to pay the bank, he goes to a certain finance company which shall remain nameless, which will lend him money at the rate 24, 28, or 30 per cent, with a bonus of 15 per cent, so that he may reimburse the bank temporarily. This is what happens. The worker is caught in between and he must pay, but he realizes it. I checked the finance company account of a man who owed them $250 and at the end of two years, he was late in his payments, had renewed his loan and in refinancing, the company had added the interests and figured interests anew for another two years and that went on for two years; he owed $750. What can you do? I went to the finance company, I made a scene and told them that it did not make sense. They replied: That is our way of doing business. If that is their way, it is the way of thieves. Here in Parliament we favour thieves because every ceiling of interest rates has been removed. When the interest rate was 7 or 7½ per cent and a man lended money at 10 or 12 per cent, he was considered a usurer; he paid a fine and went to jail. Today, the man who lends you money at 200 per cent is not a thief but a financier! Can you imagine that? That is the dilemma we are in today. The problem was created by the government. We shall have to be more serious, Mr. Speaker, and I hope this bill is a foretaste of a forthcoming reform, that it is the beginning of the end, and that we shall have at last a tax law which is tailored to the workers' ability to pay and limit somewhat the thirst for money of finance companies.

● (1630)

[*English*]

Mr. Jim Balfour (Regina East): Mr. Speaker, at the outset may I extend my congratulations to the hon. member for Montreal-Bourassa (Mr. Trudel) both on his appointment as Parliamentary Secretary to the Minister of Finance and the rapid recovery from his brush with disaster a few months ago.

Some hon. Members: Hear, hear!

Mr. Balfour: This afternoon I should like to offer a few brief comments on the taxation amendments put forth in Bill C-65 which relate to the mineral exploration and resource development industries in Canada. May I first identify some of the main elements of this section of the act. I regret that the June 23 budget retained the most regressive measures of the budgets of May 6, 1974, and November 18, 1974, namely, the denial of a deduction from income of provincial royalties, mining taxes and similar charges, the implementation of the earned depletion scheme effective May 6, 1974, with the maximum claim limited to the lesser of 25 per cent of production profits or one-third of eligible expenditures, and the 30 per cent declining balance limitation in respect of development expenses.

In effect, Mr. Speaker, the retention of these provisions indicates that the government feels that federal-provincial wrangling for bigger pieces of the resources pie is more important than the well-being and economic stability of the resources industry.

It is now obvious that such measures were introduced with one aim in mind, namely, to force the provinces to back down on their royalties regime and allow the federal government to appropriate a bigger share of revenues from resource income. To the industry caught in the middle it simply amounts to paying tax twice on the same income. It is now proposed that the special basic corporation tax of 50 per cent and the 15 per cent resource profit abatement of federal tax will be withdrawn effective December 31, 1975, so that the net federal corporate tax rate will be 46 per cent for mining and oil and gas income, the same as the general corporate tax rate, and the abatement privilege will increase to 25 per cent.

For this purpose, production income is to be calculated after operating expenses and capital cost allowances, but before interest, exploration and development expense and earned depletion. The amount of the deduction is not dependent upon the actual level of provincial royalties and taxes, so that the federal tax base will continue to be insulated from changes in such levies. The new allowance is to be available to all taxpayers. The 15 per cent resource profit abatement was restricted to corporations, and since exploration and development expenses will not reduce the 25 per cent deduction the new rules will reduce the effective after-tax cost of such expenses.

The proposed 5 per cent investment tax credit for new machinery, equipment and buildings acquired after June 23, 1975, and before July 1, 1977, is to apply to such assets acquired for the purpose of exploration and development, operation of mines and oil and gas wells, and processing ore to the prime metal stage.

Mr. Speaker, in so far as these measures at least make a modest attempt to rectify the injustices I have referred to, we support them. Unfortunately, they do not go far enough and certain contentious measures which still remain in the budget proposals can only further curtail badly needed exploration activity for hydrocarbon reserves. Vast amounts of capital are required to be invested to seek out new energy sources. No one seriously questions that proposition. However, under the existing tax regime of the federal government, what is required will not occur. Instead of encouragement, investors are offered disincentives to take risks, and in the end the people of Canada will be the losers.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, one of the major provisions of this bill is the reduction in the maximum amount of the 8 per cent tax credit from $750 to $500. The effect will be a very slight tax increase for taxpayers with incomes above $25,000. It is expected to increase federal tax revenues by about $50 million in a full year. It seems to me, from my experience in this House in the past year, that whenever this government uses fiscal policy, the result is always distribution of income that leaves the top 20 per cent of the Canadian population in its relative income position, while reducing the income of the lower income groups.

In order to back up that statement, let us look at the distribution of income, by income groups, for the years 1965, 1969, 1970 and 1974. In 1965, the bottom 20 per cent of

Canadian businesses received 4.4 per cent of the total income; in 1969, 4.3 per cent; in 1973, 3.9 per cent; and by 1974, 4 per cent. So that from 1965 to 1974, despite the so-called transfer of payments that are supposed to have gone to the lower income groups in this country, we have had a diminution of income in those groups.

● (1640)

As a matter of fact, in 1974 not only were the bottom 20 per cent receiving only 4 per cent of the total income, but the second lowest fifth of the population, according to a recent Statistics Canada release, received only 10.8 per cent. So what we have here is a very unequal distribution of income in the Canadian economy. In other words, 40 per cent of Canadians are receiving only 14.8 per cent of the total income. When you look at the people at the top of the income bracket in this country, you find that in 1965 the top 20 per cent, or one-fifth, were receiving 41.4 per cent of all the income; in 1969 they were receiving 42.6 per cent; in 1973, 42.7 per cent; and the latest statistics available from Statistics Canada show that in 1974 they were receiving 42.4 per cent. So the top 20 per cent received 42.4 per cent, while the lowest 20 per cent received only 4 per cent. When you take the lowest 40 per cent, you find that they received only 14.8 per cent, while the top 20 per cent received 42.4 per cent.

We can praise the system under which we live as much as we want, and we can say that we have made great efforts through transfer of payments in the so-called welfare state which this party helped to initiate in this country, both at the provincial level and in fighting for it in this House. But again we are left with this enormous problem in Canada, and although we in the House often seem to feel for people in the lower income brackets, we are so taken up with our own positions and our relative prosperity—because many people work for this government—that we forget that the statistics I have read are symbolic of the suffering of 20 per cent of Canadians who are only receiving 4 per cent of the income, while in 1965 they received at least 4.4 per cent.

Where is this progressive and just society that we talk about? Why is it that we, as representatives of the Canadian people in parliament, cannot find a way to alter our tax system and our fiscal policy so that the people at the low income level in the country cannot be helped more? Why is it that we cannot make certain types of sacrifices which we know are necessary in order for these people to improve their lot? This is something that I think concerns many individual members of parliament. But we are caught up in the system because we are all part of it, and we lie back and say that it has its faults but that by and large the system is working. But who is it working for? It is mainly working for the top 20 per cent in this country who are getting 42 per cent and 43 per cent of the total income. We do not seem to have the will—despite the fact that they call themselves Liberals over there—to change tax policy in this country so as to distribute income justly.

I mentioned in the House previously my views on the other place called the Senate which is set up under our constitution, even though many of us think it is nonsensical because it is composed of people who are not elected but are appointed by the government of the day. Senators have all kinds of directorships and are on boards of various companies, so that by and large they make up part of the top 20 per cent and, together with a number of members of parliament, they do everything possible in order to maintain the status quo. Their humanitarian and Christian feelings, I am sure, tell them that there is something radically wrong in a country like ours where 20 per cent of the lower income group consistently get as little as 4 per cent of the income. Then we introduce a measure like this.

Somebody might say, "Look at what we did recently with the income restraint program." As a result of complaints, we increased the minimum of $6,000 to $7,280 and we have made it possible for people to receive $3.50 an hour. However, these are all possibilities; there is nothing there. An interesting exchange took place in the House yesterday with the Minister of Labour (Mr. Munro). His comments give us an indication of his type of philosophy, when he spoke about lifting the minimum wage in the country which, as he mentioned, is largely under provincial jurisdiction. He said that roughly 10 per cent of Canadian workers come under federal jurisdiction. I remember when the Secretary of the State for External Affairs (Mr. MacEachen), at the time when I was teaching at university, introduced the Canada Labour Code at the federal level. He was then minister of labour. I was sorry for him recently because he was humiliated by France.

I remember reading one of his speeches in which he said it is not the fact that there are relatively few workers under federal jurisdiction that makes the federal minimum wage so important but, rather, the symbolic effect of giving an indication to the provinces that they have to do better. Yesterday the minister, instead of replying as he did, that the labour unions should organize the unorganized workers, as a member of the government should have given the lead in raising the federal minimum income as a further inducement and an example to the provinces. We cannot let this go on.

I should like to digress a little and return to the point I was making about the Senate and speak about Senator Croll who headed the study on poverty in 1971. Some of us obviously have friends there who are outstanding Canadians. Senator Croll is one of them, as anyone who has read that report would know. In spite of everything we have claimed, the fact is that the relative position of the lower 20 per cent group in Canadian society is worse now than it was ten years ago. That should make every parliamentarian thoroughly ashamed. It means that we have not really tackled the problem of income distribution. It means that we are not prepared, ourselves, to make sacrifices and to call upon others in our society to make the necessary sacrifices so as to enable a just distribution of income to be brought about, so that people in the lower income brackets can have the food, clothing and shelter that is necessary in the Canadian context instead of having to spend—as so many of them have to—40 per cent to 50 per cent of their income on housing and, in the case of some pensioners, as much as 60 per cent on food.

● (1650)

In 1973, the last figures I have show that more than half a million old age pensioners were living alone in Canada, and that 60 per cent had an annual income of below $3,000. We suggest that we should be increasing pensions for these old people because they are a good part of the lower income

group, as well as for those women who are heads of families left to fend for themselves in a very unequal society with regard to employment opportunities and the further handicap of lack of day-care centres. Regardless of our individual beliefs, we parliamentarians will at some time have to tackle the problem of poverty. Senator Croll put his finger on an important part of this problem when he said that much of the taxes the poor have to pay are regressive forms of taxation, which therefore do not aid transfer payments or change relative positions because poor people have to pay property taxes, excise taxes and indirect sales taxes, all of which fall upon them proportionately more heavily and hurt them proportionately more than higher income people. Poor people are thus kept at a perpetually low level, which is a terrible situation.

The hon. member for Waterloo-Cambridge (Mr. Saltsman) spoke about the problem of unemployment, as have others on this side of the House. We do not dismiss the difficulty of having a stable price level and full employment at the same time, but we have seen the government using unemployment insurance to introduce regressive taxation once again. Proportionately, a person making $19,000 and a person making $7,000 will pay the same amount of unemployment insurance premiums. That is a regressive form of taxation which falls on lower income groups and keeps them down.

We will either have to introduce a negative income tax or some form of payments which will hurt those of us who are in a relatively comfortable position, if we are really sincere about wanting to improve the lot of the poverty-stricken in this country. We have been very lucky because they are spread over a wide geographical area in various provinces and do not have much of a political voice. Native people who have been traditionally kept in a low income and social position have recently been showing a militancy at which some of us are very much surprised. But the essence of their militancy and distrust is that they are suffering because of this terrible poverty and all that it entails: the undereducation, disease, malnutrition, unequal opportunities to improve themselves and the declining morale of families which all the sociologists have been writing about.

We in parliament are the only people who have the power to do something about this if we really want to. But we have not had the political will to change the tax structure, change the relative positions to which I have referred, because we have been saying that if we touch the 20 per cent who consistently earn 42 per cent or 43 per cent of the nation's income, we will somehow affect their incentive to work. As members, all of us have been employers, teachers, university professors of one category or another, and of course for the extra effort and training we have put in it is only human to want a good share of the the income of the country in which we have been raised.

However, the fact is that as parliamentarians, schoolteachers, lawyers or university professors we receive a certain satisfaction from our jobs which is called psychic income. Even if our income was reduced, with some exceptions we would go on doing the same kinds of jobs; and I am not referring to any special sacrifices because one is a clergyman and has accepted that role in life. I am just talking about the ordinary satisfaction which comes with professional life, whether it be in medicine, law, or teaching.

Despite all the transfer payments and expenditures of government, it seems to me we can only change the situation for poor people if we convince ourselves as parliamentarians of the need to really do something about it. We have not yet changed the situation although we have had some clues as to how to go about it. But surely this type of income tax which was introduced by the former minister of finance will not really change anything. Are we going to be satisfied, as members of this House of Commons, if we are re-elected or stick to politics, to return here ten years from now and find that the lowest 20 per cent of the population is still only receiving 4 per cent of the total national income? Surely not. Surely we take our positions more seriously than that, and surely we can affect our parties so that they will bring in policies which will change the relative tax structure in this country. If not, we ought to give up completely and resign ourselves to the status quo. We might as well keep having the lower 40 per cent of the population receiving 14.8 per cent of the nation's income, or thereabouts, and the upper 20 per cent receiving 42 per cent while we talk about how much we love the poor. No, more than that is demanded of us and our political parties must give a lead.

The hon. member for Waterloo-Cambridge has already said that this tax is largely useless in terms of the income restraint program which has been introduced by the government. I refer to the investment tax credit which is intended as a temporary, extra incentive for investment. As we understand it, the credit will be 5 per cent of the taxpayer's investment in new buildings, machinery and equipment for use in Canada in manufacturing, in processing, in petroleum or mineral production. The previous speaker referred to this in connection with mineral production, farming and fishing. We must keep in mind that this is in addition to what was in the budget as a reduced tax rate which now totals 40 per cent, and also there is the two-year write off for manufacturers and processors. The point I wish to make is that at the present time we do not hear very much opposition from the business community to this restraint program, called the anti-inflationary program, because, although there has been a little bitching by them on certain things, they well know that as it is written now, by and large there are certain qualifications.

● (1700)

The Minister of Industry, Trade and Commerce (Mr. Jamieson) said not only is it possible that we will roll back dividends as long as they are going back into investment, but we might also put all forms of control on the investment sector as long as it can be shown to increase productivity. On the face of it, that sounds a bit as if we will make jobs for everybody. They seem to forget, however, that at the present time unemployment in this country stands at 7.2 per cent or 7.3 per cent.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Turner (London East)): I have the honour to inform the House that a message thas

been received from the Senate informing this House that the Senate have passed Bill S-29, an act to enable the Eastern Canada Savings and Loan Company and Central and Nova Scotia Trust Company to amalgamate, to which the concurrence of this House is desired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Royal Canadian Mounted Police—Alleged surveillance of certain Canadians of Arab descent—Request for report; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Veterans Affairs—Projects and allowances; the hon. member for Nickel Belt (Mr. Rodriguez)—The Canadian Economy—Anti-inflation program—Proposed establishment of price monitoring committee.

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

PRIVATE BILLS

[*English*]

NORTHLAND BANK

Mr. Joseph-Philippe Guay (St. Boniface) moved that Bill C-1002, to incorporate Northland Bank, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Turner (London East)): Order, please. On the order of the day for second reading of Bill C-1002, I notice a discrepancy on page 2 of the bill, clause 5, which is an amendment to schedule A of the Bank Act. The English version shows authorized capital stock of $20 million. The French version, showing authorized capital stock of $20,000, is a typographical error and should read $20 million, as is clear on both versions of clause 3 of the bill.

Mr. Guay (St. Boniface): Mr. Speaker, the idea of a new chartered bank established in Canada's three prairie provinces was born in the minds of a small group of western Canadians a number of years ago.

Mr. Stanfield: This will be an emotional speech.

Mr. Guay (St. Boniface): Mr. Speaker, I am very pleased indeed that I have in my audience this evening, in the five o'clock show, the Leader of the Opposition (Mr. Stanfield). It is not very often I have that honour when I am speaking, and I thought I would just mention the fact that he is here at the moment.

This group is now expanded to include citizens' representative of the social and business community of Manitoba, Saskatchewan and Alberta. They wish to create a new financial institution to assist in the provision of the credit which the nation requires for expansion of its economy, with special emphasis on the rapidly growing needs in the prairie provinces. The feasibility of such an institution has been confirmed through a series of commissioned and private individual studies over a number of years.

The names of the bank, "Northland Bank" in English and "Norbanque" in French, were chosen as being indicative of Canada's geographic position in the world. It will identify for many people in many lands its general area of activity and origin. The authorized capital will be $20 million, divided into two million shares of a par value of $10. The initial capital subscription will be a minimum of $10 million. Firm commitments to subscribe are already in hand for more than 50 per cent of this amount.

The co-operative and credit union societies which are initiating the bank are independent companies operating in many different fields in western Canada. Their contracts with several hundred thousand Canadian citizens throughout the three provinces made these companies aware of the need for a new bank as a supplement to existing banking services in the expanding western economy. The head office of the bank will be in Winnipeg, Manitoba, with executive offices located in Calgary. Offices will be opened in Winnipeg, Regina and Edmonton, concurrent with the establishment of the branch in Calgary. These offices will be low in overhead but will project the essence of premier quality and integrity—the foundation upon which the bank will be built.

Imaginative and innovative approaches to the financial aspect of the expanding economic development in the prairie provinces will be paramount in the thinking and operational activities of all personnel.

The provisional directors are: Ronald Thomas Curtis, Manager, Winnipeg, Manitoba; Henry George DeCuypere, Manager, Winnipeg, Manitoba; Richard Earl Foster, Manager, Saskatoon, Saskatchewan; Donald Victor Larson, Executive, Winnipeg, Manitoba; Philip Duncan Sampson, Director, Regina, Saskatchewan; Alan William Scarth, Barrister, Winnipeg, Manitoba; Gordon, Maxwell Sinclair, Executive, Saskatoon, Saskatchewan; George Robert Viereck, Manager, Prince Rupert, British Columbia; Robert Alan Willson, Consultant, Calgary, Alberta; Hugh Malcolm Wilson, Banker, Calgary, Alberta. All directors are Canadian citizens and are committed to subscribing for shareholdings in accordance with the requirements of the Bank Act. Mr. Hugh Malcolm Wilson, the provisional president and chief executive officer of the new bank has 27 years of domestic and international banking experience, eminently qualifying him for the leadership position.

Mr. Wilson has travelled extensively, particularly in North and South America, Europe and the Far East. With the wealth of varied experience and exposure, the applicants are confident that Mr. Wilson and the qualified staff he will employ can bring the new bank to a position of

early achievement, always with the safety and security of the shareholders and customers in the forefront of his and the management team's thinking and action.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to say a few words about this private bill. The hon. member for St. Boniface (Mr. Guay) listed the people involved. I think this is a step which is very much in the interests of western Canada, where in the past we have suffered severely from lack of financial institution. Winnipeg was a sizeable finance and banking centre at one time but in the last 25 years the pattern of the country's economy changed and much of this business went to the east. I cannot help remembering in my own case about 20 years ago asking my bank manager for a loan of $2,000. I went back to see him a month later and he told me he had to write to Winnipeg. Then I found that Winnipeg had to write to Montreal to find out if I could have the loan. It was obvious then that as the head offices of the bank were concentrated in the east, the banks were unaware of western needs. The incorporation of Northland Bank will go some way to rectifying this situation.

● (1710)

The proposal for incorporating the bank has been studied for a number of years, I understand, and the concept of the bank has undergone change. It is not to be mainly a Manitoba bank. It has graduated, so to speak, and will serve all three western provinces. This is good, as it is better for the prairie regions and western provinces to rely on each other. The credit union movement will participate in this bank and is to be congratulated. The credit unions represent the grass roots of our communities and their involvement in the formation of the new bank is extremely significant.

That is all I shall say, Mr. Speaker. I welcome the formation of the new bank. It will give western Canadians a western-based financial house and lessen the dominance of eastern-based financial houses. I think it will make our region of the country more stable and self-reliant.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I am pleased to have the opportunity to say a few words in support of the bill to incorporate Northland Bank, a new bank in western Canada. As the hon. member for St. Boniface (Mr. Guay) said when presenting the bill, the co-operatives and credit union societies of western Canada are behind this bank. Credit unions and co-operatives have long played a vital role in developing western Canada. In Saskatchewan, particularly, they operated during the depression years on the principle of lending a hand to their neighbours. They began with minimal capital. Over the years they grew rapidly, to become large institutions. Credit unions in particular have served areas not served by the ordinary chartered banks. Although initially credit unions were viewed with suspicion by the chartered banks, a good relationship has grown up between them and now it is not uncommon for a bank manager to refer a customer to a credit union for a loan to cover something for which the banks are not able to grant credit.

The flexibility of credit unions has been somewhat limited, and the rate at which the western Canadian economy increased in the past few years, make it necessary for the credit unions to enter the banking field. It is fair to say that over the years a certain amount of criticism has been levelled at chartered banks operating in the west. Basically, they are eastern-oriented and tend to shift the savings of westerners to central Canada. It is said that this activity in the past limited the growth of the economy of western Canada. I do not suggest that that statement is necessarily true. But it can be said, I think, that when banks have their head offices in eastern Canada they are more apt to be in tune with the needs of the east than with those of the west.

The provisional directors and shareholders of Northland Bank are to be individuals and organizations who have had an extensive background involving the finances and economy of western Canada, particularly the prairie regions. I believe this new bank will become a valuable asset for western Canada in particular and for the whole of Canada in general, and I have no hesitation in lending this bill my support.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I speak for just a moment. We welcome the extent to which credit unions and co-operative societies and associations are to participate in this bank. Mind you, I also join the hon. member for St. Boniface (Mr. Guay) in welcoming the fact that the head office is to be in our city of Winnipeg. Perhaps some questions need to be asked, but they can be asked in committee. We are therefore happy to let the Bill C-1002 go to committee.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like, first of all, to say a few words and congratulate the hon. member for Saint-Boniface (Mr. Guay) for having introduced this small bill: it may seem small but it may grow big.

I feel that a new bank in Manitoba can only be of advantage to the population of that province, all the more so because we are advised that the promoters of this bank are in the main co-operatives and associations.

To my mind, in accepting this bank, the government is taking one step towards freeing itself from the traditional chartered banks, something all Canadians also wish. One need only glance at the difficulties experienced by co-operatives, such as the caisses populaires, the credit unions out west, in trying to create the financial credit they need to operate, because of constant obstruction from chartered banks. I myself am a founding-member of a caisse populaire, and if we have managed to make some way in the world of finance only through agreements with the banks.

We can see here that the shareholders are big bankers. They form a special group. That is all very well and I congratulate the people in Manitoba. But when one realizes the importance of credit unions in the province of Quebec and that they have not succeeded yet, Mr. Speaker, in getting a bank charter—

An hon. Member: They never asked for one.

Mr. Gauthier (Roberval): I think that if credit unions had the same charter and the same powers as chartered banks, there would be stiff competition. We would have real shareholders, real owners of the bank. We often hear today: It is the people who own the bank. That is not true!

The owners of chartered banks are the big shots of finance and the individuals who hold shares in them are practically forgotten. It is to these big financiers that the chartered banks which are commonly known today belong. Indeed, I do hope from the bottom of my heart that our caisses populaires and credit unions will some day be able, like chartered banks today, to create credit. Then you will see that these chartered banks will not have long to live.

● (1720)

[*English*]

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

An hon. Member: Six o'clock.

The Acting Speaker (Mr. Turner (London East)): The hour appointed for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At 5.22 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENTS RESPECTING TAX ON CORPORATE BORROWINGS, INCOME FROM MINERAL RESOURCES, AND PERSONAL INCOME

The House resumed consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-65, to amend the statute law relating to income tax, (No. 2), be read the second time referred to committee of the whole.

The Acting Speaker (Mrs. Morin): Order please. I must advise the House that if the minister speaks at this time he will close the debate.

Hon. Donald S. Macdonald (Minister of Finance): Madam Speaker, there is really very little I can add to the able presentation made this afternoon on behalf of the government. I would say, however, that since the bill was given first reading in the House a number of amendments have been suggested to the government which we have agreed to accept. Therefore, when we go into the clause by clause study, my colleague, the Minister of Indian Affairs and Northern Development (Mr. Buchanan), will be glad to put these amendments on our behalf.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): On division.

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

On Clause 1.

Mr. Lambert (Edmonton West): Madam Chairman, I wish to ask the minister whether, with regard to the amendments in clause 1, subclauses (1) and (2), the comments of the resource producing provinces have been favourable. May I assume what his predecessor told me, that these amendments were being made as a result of negotiations between the Government of Canada and the province of Alberta and others in order to soften the impossible position taken by the two sides as the result of budgets last year?

Mr. Macdonald (Rosedale): Yes, Madam Chairman. I think it is fair to characterize the clause as put before the committee this evening as distilling the discussions and—agreement may be too strong a word—understanding arrived at as a result of several federal-provincial conferences. In effect the changes will not result in any very substantial diminution of provincial revenue, although the province has made it clear and has since announced certain changes in its own royalty system and its drilling incentive system, which will make for a more favourable regime within the province of Alberta in particular.

I suppose that putting this into its most meaningful context, looking at the new tax system and taking into account the royalty changes and the drilling incentives, at the very minimum, for the additional $1.50 a barrel which the firms will get from drilling, they can expect a minimum of 28 cents. Assuming that they take full advantage of the exploration and development possibilities, of the $1.50 the company can retain 71 cents. Therefore it does provide a very substantial incentive for a firm that is prepared to engage in exploration in Canada. As a corollary, for a firm that is not prepared to continue exploration in Canada it is rather a disincentive. I think it is fair to say in general terms that as a result of this amendment alone the provincial share of the revenue is no less. However, the province of Alberta has made certain decisions itself that will have shifted a number of percentage points from its own account into that of the corporations.

● (2010)

Clause agreed to.

On clause 2.

Mr. Lambert (Edmonton West): Madam Chairman, may I make one comment. While it is very much appreciated that there has been this expansion to cover taxpayer spouses mutually, I suppose it is up to the Minister of National Revenue to educate the public further on this grossed-up dividend provision. It was announced that the benefit of the $1,000 would apply to both parties. Since this was an income provision before to which are added dividends, but on a grossed-up basis, to the value of $1,000, it becomes pretty hard for a lot of people to understand. They ask why they should be limited to $650 when it comes to dividends. An educational program has to be carried out, but the sooner the minister can find a way of getting rid of this I think the better it will be.

Mr. Macdonald (Rosedale): All I can say is that I will take that under consideration for a future budgetary statement.

Clause agreed to.

Clause 3 agreed to.

On clause 4.

Mr. Macdonald (Rosedale): Madam Chairman, as the result of further study it has occurred to us that it would be more appropriate to change subclause (4) of clause 4 of the bill, particularly with reference to the final line of the subclause, which reads "1976 and subsequent taxation years". The Minister of Indian Affairs and Northern Development has been somewhat exercised on this question. He has pointed out to me, with some justification, that the final line of the subclause should read "1977 and subsequent taxation years". I understand that in his rather forceful way he is putting forward this amendment to the statute.

The Assistant Deputy Chairman: It is moved by the Minister of Indian Affairs and Northern Development:

That Bill C-65 be amended by striking out line 12 on page 3 and substituting the following:

"1977 and subsequent taxation years."

Amendment (Mr. Buchanan) agreed to.

Clause 4 as amended agreed to.

On clause 5.

Mr. Lambert (Edmonton West): Madam Chairman, I have one question for clarification purposes. I take it this is consequential, or shall I say part of the package of changes that are being made as a result of changes in the oil and gas taxation? Section 123.3 is one of those provisions that deal with that subject.

Mr. Macdonald (Rosedale): Madam Chairman, that is precisely correct. It is consequential upon the first amendment.

Clause agreed to.

Clauses 6 to 8 inclusive agreed to.

On clause 9.

Mr. Macdonald (Rosedale): Madam Chairman, we now move into another area, and we are here dealing with the election expenses arrangements. Here again further reflection upon this area indicates that it would be most appropriate to amend clause 9(1) by moving two amendments. I have reason to believe that the Minister of Indian Affairs and Northern Development might be prepared to amend the clause in the following manner, (a):

by striking out line 2 on page 10 and substituting the following:

"property acquired by him in the year, determined without reference to sub-section 13(7.1),"

Mr. Lambert (Edmonton West): Session (4.1) on page 7 is the end of the election expenses, and there is an investment tax credit provision right in the middle.

Mr. Macdonald (Rosedale): I am obliged to the hon. member. Indeed there are three amendments here. If I may continue, (b):

by striking out line 8 on page 10 and substituting the following:

"years, determined without reference to subsection 13(7.1),"

If the committee wishes I can go through them all now or take them seriatim.

Mr. Lambert (Edmonton West): Put them all in now.

Mr. Macdonald (Rosedale): The next amendment is (c):

by striking out line 24 on page 12 and substituting the following:

"of finished goods,";

Then (d):

by adding thereto, immediately after line 32 on page 12 thereof, the following:

"(12) For the purposes of subsection 13(7.1), where, pursuant to a designation or an allocation from a trust or partnership, an amount is required by subsection (7) or (8) to be added in computing the investment tax credit of a taxpayer at the end of his taxation year, such amount shall be deemed to have been received at the end of its fiscal period in respect of which the designation or allocation was made by the trust or partnership, as the case may be, as assistance from a government for the acquisition of depreciable property."

Then (e):

by striking out line 36 on page 12 and substituting the following:

"23, 1975 and subsections 127(5) to (12) of"

Again my colleague will move the amendments on my behalf, Madam Chairman.

Mr. Buchanan: I so move.

Mr. Lambert (Edmonton West): Madam Chairman, there is a little difficulty here. In preparation of the drafting of this particular clause 9 we drifted all the way across election expenses and the aggregation thereof, which continues to the foot of page 7, and then moved into an entirely new concept, this investment tax credit. The amendments that the minister has been reading, as I apprised them, and having seen them earlier today, deal with what are qualified properties. We are into two different subjects here.

With the permission of the Chair perhaps I could direct the minister's attention to the first part dealing with election expenses and get from him the purpose of the changes, which seem to be somewhat grammatical for purposes of clarification, so that a number of small donations to a political party in amounts up to $100 can be aggregated. The original intention of applying the 75 per cent credit is not limited to the first such donation in the aggregates, which I suspect was the interpretation that could be placed upon the legislation as originally drafted.

Mr. Macdonald (Rosedale): As I understand it, Madam Chairman, the amendments in question arise from a discussion that took place between representatives of all four parties and the chief electoral officer on April 14, 1975, concerning certain unanticipated consequences of the new political contribution provision. The amendment was drafted to reflect the consensus obtained at that meeting.

● (2020)

I suppose the most important and substantive provision in the amendment, which also makes certain clarifying and technical changes, is that with respect to the definition in Section 127(4.1), referring to all amounts contributed to be cash or a cheque. This definition operates in conjunction with the provisions of 127(3.1), which refers to receipts being issued by parties and candidates to persons for services rendered. Section 127(3.2) provides that the amounts contributed must, of course, be deposited by the official agent of the candidate forthwith in a bank, credit union or trust company, and official candidates in northern isolated constituencies are excluded from this particular requirement for obvious reasons.

As a consequence of this there are three consequential amendments. The amendment to Section 231 of the act and Clause 12 of this bill provides that duplicates must be kept of receipts issued for amounts contributed, referring to "amounts contributed", taking the term of the art rather than the contribution.

The amendment also establishes a standard of verification to which registered parties and official agents of candidates must keep their records or books. The amendment in 12(2) of the bill changes the reference in 231(4) of the act from contributions to the newly defined term "amounts contributed", and the amendment to 13(1) of this bill brings this within the purview of the penalty provision. Under Section 238(2) of the act we cover persons contravening the provisions of the new Section 127(3.1) and (3.2).

I would have to acknowledge the fact that that particular section of the bill is a potpourri, but I am advised that the reason for two dissimilar amendments being put in together is basically for structural purposes in the act itself, and in particular so as not to disarrange the provincial tax credit. Perhaps in terms of presenting the legislation logically that might not meet such a standard, but I am advised that within the broader context of the bill there is certain logic to it, though not readily apparent.

Mr. Lambert (Edmonton West): I guess we will have to take the minister's word for it. The problem that arises is precisely a result of the fact that the minister has finished his answer in that regard to Clause 9 and now we come into the tax credits.

While I have not given the consideration in depth that one would require to become an expert, I find some confusion in respect of the investment for the purposes of manufacturing and processing. While this does allow manufacturing and processing on their own there is a disqualification in respect of property in Clause 12(b), line 22. So one still cannot invest in a building which is used for storing, shipping, selling or the leasing of finished goods.

[Mr. Lambert (Edmonton West).]

If an investor were going to put money into a building for manufacturing or processing, how is it that that part of the building which might be used for warehousing of the finished products cannot be included? If the building were to be used for the purpose of storing raw materials it would be included, but that portion of the building used for administration, including clerical and personnel activities, would not. Am I correct, or am I making a wrong assumption and that these uses must be exclusive to the building? In other words, the building must be used exclusively for the storing of raw materials, and a building used exclusively for the storing of finished products will be disqualified, but if those portions of the building form a manufacturing unit there would be a qualification?

Mr. Macdonald (Rosedale): Madam Chairman, the understanding expressed by the hon. member for Edmonton West is substantially correct. The purpose of the exclusion here was to make it clear that the government's tax credit is made available basically for productive or processing facilities as opposed to those further down the stream in the distribution section. It could well be argued logically that storing facilities of a manufacturer at the very end of the process might be included in that regard. I think the feeling of my advisers is basically that it is very difficult to include that particular storage without raising questions about storage for the distribution sector.

Going to the hon. member's final question, the storing of raw materials as an integral part of the productive or processing operations would indeed be included. The raw material at the beginning part of the whole mill operation would be included, even if there were storing facilities, but the facilities in which the product is stored preparatory to shipment would not be included.

Mr. Lambert (Edmonton West): Yes, but then we come to the next one which refers to facilities for employees, including cafeterias, clinics, and recreational facilities. I find it extraordinary that while the manufacturing and processing part which has facilities for the storing of raw materials would qualify as an investment, that part of the building for administration and clerical activities would not. The cafeterias and other staff buildings for employees in the manufacturing and processing operations are part and parcel, particularly the cafeteria, but would be excluded. I find that somewhat difficult. Would the minister comment?

Mr. Macdonald (Rosedale): I think it is fair to comment that if it were all part of an entirely new installation these facilities for the storage of raw materials would be an addition to the productive capacity and in that case would be included. Desirable an objective as it might be to upgrade the facilities for the working force by some addition in the way of an investment in these facilities, which would not result in an addition to the productive capacity, it would not be regarded as being within the terms of the amendment.

In other words, we are looking for additional processing or productive capacity, which we know is going to result in larger throughput as opposed to ameliorating the circumstances of an already existing plant.

Mr. Lambert (Edmonton West): For clarification, I take it that if the taxpayer were to invest in the total package of production and processing, that is, starting with the raw material, storage, cafeteria and everything, there would be a totally new complex and these would qualify, but if there were an existing complex and an upgrading by way of a new cafeteria, or a new staff recreational room, these would not qualify in the same way as a new office section attached to an existing plant?

Mr. Macdonald (Rosedale): If it is all in one building or all in one continuous process the answer is yes. If, of course, it is split up in any way that it can be regarded as being an amelioration of existing facilities, it would not be covered. Obviously this is going to be a question of factual determination, and not an easy one in many cases.

Amendments agreed to.

Clause 9 as amended agreed to.

● (2030)

On Clause 10.

Mr. Lambert (Edmonton West): Madam Chairman, this is the one the parliamentary secretary and I had some discussion about in principle this afternoon. I take it this is the attempt by the Department of National Revenue to plug what they see as a loophole which allows employees to take the benefit of both a registered retirement savings plan and a registered pension plan. I will not repeat the argument I made this afternoon in principle. I think it is reprehensible to try to lump them together, particularly where an employee has no choice. The employer pays right into the pension plan without any consultation with the employee. They control the pension plan as in the case of the railways. An employee is not allowed to participate in any registered retirement savings plan, and this to me creates a disincentive to saving. Frankly I think this is counter productive to what we should have in our taxation system.

Mr. Macdonald (Rosedale): Madam Chairman, basically it is a question of fairness between employees of one employer and employees of another employer. There may be some circumstances in which the former would be entitled to deductions but the latter would not. This is to provide a little equity between different employees or taxpayers.

The Assistant Deputy Chairman: Shall clause 10 carry?

Mr. Lambert (Edmonton West): On division.

Clause 10 agreed to.

On Clause 11.

Mr. Lambert (Edmonton West): This again is to repair some of the ravages of the tax reform of 1971-72 where there was a desire by FISC to lay its hands on every conceivable split penny. First of all, government obligations had to be exempt from the withholding tax because that would hurt the government's position in its sales of government obligations or holdings of government obligations by taxpayers offshore. Now we are coming back to a more original position where Canadian business can finance on a long-term basis, and the withholding tax as it now applies will more or less preclude Canadian businesses getting more advantageous financing, and will place them in a very difficult position competitively with other interests abroad. Perhaps a little more sanity in this connection is being restored to the corporate tax in this very narrow sector.

Mr. Macdonald (Rosedale): Madam Chairman, the amendment really reflects in many cases the current state of the world capital market. I think it is fair to say that since my predecessor's introduction of this proposal earlier in the year a number of substantial placements have been made by Canadian corporations and other borrowers in foreign markets in longer term securities. Perhaps the temporary or occasional quality of this particular amendment is recognized by the fact that it is applicable up to the end of 1978. Obviously the government will have to have under scrutiny the capital markets at that time, and the necessity at that time of considering this particular exemption. As the House knows, there are certain opportunities for funded debt placement overseas of which we have taken advantage and which we feel can be taken advantage of, in effect placing further Canadian financing in a longer term debt form rather than shorter term or equity.

Clause 11 agreed to.

On Clause 12.

Mr. Peters: Madam Chairman, I am curious why there is a legal difference in the words "amount contributed" and the previous words "contributions made". This would seem to be more of a grammatical than a fiscal change, but I should like to know the reason for it.

Mr. Macdonald (Rosedale): Madam Chairman, this really is consequential on the earlier amendment, as the hon. member for Edmonton West pointed out. "Contributions" is capable of being interpreted as either contributions in cash or contributions as services. This is to make clear that we are talking about contributions by cheque or cash payment as opposed to contributions of time donated by people.

Mr. Peters: Do I take it then that the minister is saying that only cash or cheque contributions now will be considered? As I understand it this would be a contradiction to the electoral act where one of the major purposes is that the total cost of an election is to be recorded and in this case we consider only cash donations. I am sometimes confused between the act in the province of Ontario and the federal act. However, it seems to me we are saying that they can only be contributions by cheque or cash.

This could represent a major change so far as the electoral act is concerned and the ability of contributors to make contributions in kind, in time, or whatever it may be. Surely the minister is well aware of the fact that what this means is more transactions because if the person wishes to donate services, the services are paid for, he is given a cheque and makes the contribution. It seems to me if this does not mean that and that is not the purpose of it, we are making a major change in the reporting of electoral expenditures. I think this is why I am confused by the words "contribution made" which includes a number of things and the new words "amounts contributed". In my English I would consider them both to mean the same thing, but I

gather technically there is quite a difference. If we accept it as the minister says it is, then it can only be a straight donation recorded by a cheque. It seems to me we are making a major change in the electoral act.

Mr. Macdonald (Rosedale): I think it is fair to observe that to a substantial degree the election expenses regime contains a recognition of the difference between services and money contributions, whether they be by cash or cheque. There are a number of exceptions to this general statement I will make, but in general terms when people work on behalf of a candidate in an election campaign that kind of contribution of individual effort is not the subject matter of restraint or restriction. What is involved here rather is an attempt to get out of the area of uncertainty the Chief Electoral Officer has in respect of claims of tax deduction for service.

As I mentioned earlier, the amendment here is one that was drafted to reflect the consensus of all the parties represented in the House. On April 14 members from all four parties in the House met with representatives of the Chief Electoral Officer and representatives of Revenue Canada concerning the payment consequences of the election expenses bill.

● (2040)

I do not pretend to be an expert on the Elections Expenses Act, not yet any way, but as I understand it, his colleagues along with mine and those from other parties were represented at the meeting and this was agreed as being a fair change in the way in which election contributions will be treated for tax purposes. This does not impair the ability to make services available under the Elections Expenses Act.

Mr. Peters: Madam Chairman, the minister has just uttered the magic words which will get my support, that my party and their representatives along with representatives of other parties have decided this. Looking at the act, I will be damned if I can agree with many things they did which they have not been able to explain. This is total confusion, but I sincerely hope the minister is not trying to overcome another problem with which I am familiar by making this change. I am not referring to those expenses to which the minister referred but rather to the expenses incurred by people who supply goods and services, such as conference rooms, printing facilities, or whatever it may be. They should be considered as legitimate expenditures in the calculation of the over-all election expenses, and there is a price for them before even the transaction is made. It will have to be made in the form of a bill, someone will get a cheque, and the cheque will be donated. It seems to me that this is not the way to solve the problem which the minister had in mind and which affects another matter altogether. I hope this is not really the result of it.

I am certainly expressing an opinion on behalf of no one but myself, but it seems to me that most of us have had difficulty in understanding the legal jargon in the elections expenses legislation. I think it has been fair and reasonable and I would not like to get it to the point where cheques are exchanged for the sake of having a legitimate contribution recorded.

[Mr. Peters.]

Mr. Macdonald (Rosedale): The hon. member really speaks for me as well in his expression of concern about the complexity of the elections expenses mechanism and I cannot make any further or very detailed comments about that. What we are really considering here is to have the tax benefit contribution made in the form of money, using the word in the broader sense to mean either cash or a cheque.

Mr. Jones: Madam Chairman, in all fairness I wonder if the minister and his department will be prepared to give further consideration to the Income Tax Act and corresponding statutes in view of the fact that the Canada Elections Act does provide for the election of independents to this House. As the statutes are presently prepared and enacted they are discriminatory, inequitable, and unfair to those who find themselves in the position of independents or are not affiliated with any political party. Because of this the legislation should be extended in some way to organizations of independent members of parliament. Now it extends to them only during an election campaign. I think this is most unfair and inequitable, and it is something of which this House should be darned ashamed.

Mr. Macdonald (Rosedale): I was looking to see whether the President of the Privy Council was with us this evening and I find he is not. However, I will be prepared to make the hon. member's representation to him that, as a candidate like any other candidate he has certain benefits at election time but that his basic point is that between elections he does not have the same basis of recognition. It seems to me that that is a valid question for the minister and for representatives of other parties to consider in this context.

[*Translation*]

Mr. Gauthier (Roberval): Madam Chairman, we were anxious to read the amendments brought in. We thought that this would really shed some light on the act but I realize that the more amendments we have, the more obscure the act is.

It is true. There was a problem. But I think the previous act was much clearer than the amendments we are voting this evening, because the problem had to do mainly with receipts. According to this legislation receipts for services will not be accepted any more. It will be necessary to produce cheques or even banknotes I think. I do not know if I understand well correctly but if an individual, an ordinary worker who does not even have a bank account gives us $20, we will not be able to accept his gift. How are we going to register his $20 with the cheque system? It is easy for a major party which sponsors banquets at $200 a plate to "play" with cheques but it is not so easy for a minor party which has to rely on $5, $10 and $20 notes. The trouble with cheques is that in order to write out a cheque, one must have a bank account, and if one has not, what happens then?

From what I can see, even a $100 bank note is not accepted.

You have to give a cheque.

The act should be made clear. We have trouble understanding the act, and the chief electoral officer says: "There is a discrepancy between the Election Expenses Act and the Income Tax Act. He is the one who says that. We

try to make sense out of it and get more confused than ever.

If someone—I would like to have an answer on this point first of all—gives us, say, $20 or $25 cash, a bank note bearing the royal effigy, can we at least issue a receipt and register it?

Mr. Macdonald (Rosedale): Madam Chairman, I must admit that I do not fully understand the position of each party in the House. But I think it should be pointed out at this time that it is the result of an agreement concluded between the four parties of the House, including the Social Credit Party of Canada. I think that this is entirely possible and that the hon. member is right, but the present discussion represents an agreement, a compromise to which the four parties agreed. For that reason, I presume that it is just enough for the hon. member.

Mr. Lambert (Edmonton West): Madam Chairman, if I could draw the attention of our colleague for Roberval (Mr. Gauthier) to page 7 of the bill, subclause (4.1) of the French version, the member will read as follows:

... «contribution» signifie un montant versé à un parti enregistré ou à un candidat sous forme d'argent liquide ou au moyen d'un effet négociable ...

That means a cheque. Then the cash or the cheque represents an amount contributed.

Mr. Gauthier (Roberval): Madam Chairman, we of the Social Credit are told that cash deposits are no good any more.

[*English*]

The Assistant Deputy Chairman: Order, please. Shall clause 12 carry?

Some hon. Members: Agreed.

Clause 12 agreed to.

Clauses 13 and 14 agreed to.

● (2050)

Title agreed to.

Bill reported.

The Acting Speaker (Mrs. Morin): When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): Next sitting of the House.

Some hon. Members: Now.

Mr. Peters: Madam Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) indicated the next sitting of the House, and that is mandatory.

Mr. Stanfield: Why?

Mr. Lambert (Edmonton West): But there is no need to do it.

The Acting Speaker (Mrs. Morin): I am sorry. I did not hear the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Macdonald (Rosedale): Madam Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) made it clear to me that he would not agree to third reading this evening, so under the circumstances we agree that it should be considered at the next sitting, and perhaps we could go on to other business at this point.

The Acting Speaker (Mrs. Morin): Is it agreed that third reading be delayed until the next sitting of the House?

Some hon. Members: Agreed.

* * *

[*Translation*]

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND VARIOUS STATUTES TO PROVIDE FOR CHANGES IN PENSION CONTRIBUTIONS, BENEFITS, ETC.

Hon. C. M. Drury (for the President of Treasury Board) moved that Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

[*English*]

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I rise on a point of order. I believe that hon. members on the treasury benches will recall that earlier this session the government House leader agreed that after this bill had been given second reading it would go to the Special Joint Committee on Employer-Employee Relations in the Public Service rather than to the Standing Committee on Miscellaneous Estimates. That has been confirmed by the government House leader in meetings of House leaders several times. I wonder if that understanding could be included in the motion.

Mr. Blais: Madam Speaker, the statement made by the House leader of the New Democratic Party is accurate. I recall that statement having been made by the government House leader—

An hon. Member: And you have no objection?

Mr. Blais: And we have no objection.

Mr. Lambert (Edmonton West): Madam Speaker, I should like to have clarification of the point raised by the hon. member for Winnipeg North Centre (Mr. Knowles). It is my recollection that the Joint Committee on Employer-Employee Relations was a special committee set up to discuss the Finkelman Report, and that once that committee has reported it is *defunctus*, and there would have to be a special resolution to set it up again in order to deal with this legislation.

I have no preference as to which committee deals with this legislation, but I think there may be a procedural difficulty facing the House in trying to send a second piece of legislation to a committee which was originally set up with the limited power of considering a report dealing with staff. If we can continue on the present basis for tonight, and if that can be negotiated—and it will be agreed that there will not be a long debate on a motion to refer this particular legislation to the same joint committee—that would be fine, but at the moment I think it is impossible to accede to the suggestion made by the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, first I assure the hon. member for Edmonton West (Mr. Lambert) that that committee is not yet *defunctus*. It will be around quite a while. In other words, the committee does exist, and this bill could be referred to it, but as I pointed out earlier when there was a motion before this House to set up that committee, the government House leader said that that committee would also deal with this bill. He has been asked about it several times, in public and in meetings of the House leaders. It has been agreed, and it is agreed tonight. If there needs to be another term of reference to satisfy the hon. member, perhaps that can be obtained, but I trust that the understanding we have had from the government all along will prevail.

The point is that the other committee is busy already and will be terribly busy when supplementary estimates are tabled, but the special joint committee on employer-employee relations is seized of problems relating to public servants, and I think we were all agreed that that was the place for this bill to go.

Mr. Sharp: Madam Speaker, I would just like to confirm that it was our understanding, in agreement with the House leaders of the various parties, that this bill could be referred to the joint committee. However, in order not to cause any interruption in the debate tonight, I would be quite happy to confirm this with the other House leaders, and I suggest that the debate continue this evening.

The Acting Speaker (Mrs. Morin): Is it agreed?

Some hon. Members: Agreed.

Mr. Lloyd Francis (Parliamentary Secretary to President of Treasury Board): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Is a minister not going to speak on this bill?

Mr. Francis: On February 17 of this year the President of the Treasury Board (Mr. Chrétien) moved for leave to introduce this omnibus bill containing amendments to the pension provisions of eleven statutes.

The major amendments which are contained in this bill are proposed by the government as a result of its consideration of the recommendations of the Royal Commission on the Status of Women which relate to the equality of status of females and males under the government's own pensions plans.

[Mr. Lambert (Edmonton West).]

Since the largest of those plans is the Public Service Superannuation Act, covering more than 250,000 federal public service employees, the government referred those recommendations of that royal commission to the Advisory Committee on the Public Service Superannuation Act and to the National Joint Council for consideration and advice. The proposals which were made to the government as a result of this consideration by these two bodies form the basis of the major amendments proposed in the Public Service Superannuation Act. These proposals, in turn, have been extended as appropriate to the amendments of the pension provisions of the other acts included in this omnibus bill in order to ensure the equality of status for male and female members which was sought.

The most noticeable effects of these proposed amendments will occur in those plans where there was a difference in the benefits available to female employees who in turn contributed a lower percentage of their salaries to the pension funds than did their male colleagues. Thus, on the contribution side, under the three superannuation acts for the civilian public service, the Canadian forces, and the RCMP, the rate for female employees will increase from a basic rate of 5 per cent to 6.5 per cent. This will make a total rate of 7 per cent of salary for both male and female members when one includes the one-half of 1 per cent contributed toward the cost of pension increases under the Supplementary Retirement Benefits Act and the amounts contributed to the Canada or Quebec Pension Plans.

● (2100)

There are also amendments on the benefit side, with the major change being the provision of widowers' benefits on the deaths of female members.

New provisions are being introduced to increase the minimum benefits payable under these plans. This will apply to all members but will be of particular benefit to single employees and to those who are not entitled to an annuity benefit on termination of employment.

In the case of those ceasing to be employed after the legislation receives royal assent, the minimum benefit will be the greater of, first, a return of contributions with interest at 4 per cent from December 31 of 1973 and of each subsequent calendar year to December 31 of the year preceding cessation of employment, and, second, an amount equal to five years of annuity payments at the initial level which would have been payable to the employee if he qualified for an annuity on ceasing to be employed.

Also on the benefit side amendments are included to make it possible for participants in the supplementary death benefit plans which apply to members of the public service and Canadian forces, both male and female, to name the beneficiary of the death benefit. At the present time, the benefits are payable to the widow of a male participant and in all other cases to the estate of the participant. The royal commission's observation on this difference in treatment led to the recommendation by the advisory committee on the Public Service Superannuation Act which the government adopted, that, as with private life insurance policies, a participant should be able to name the beneficiary of the death benefit.

The bill contains amendments concerning the effect on pension entitlements of pensioners from one plan who become members under a different pension plan in some other service of the Government of Canada. These amendments relate to the report made by the Standing Committee on Miscellaneous Estimates to this House on November 6, 1973, that the various restrictions and limitations on the receipt of pensions should be removed in these circumstances.

In the light of this motion and report, the government undertook to conduct a complete review of the principles which should govern the pension plans for which it is responsible. As a result of this study the government has concluded that one of the basic principles under these pension plans should be that a person appointed to a position under a different plan should not forgo his pension entitlement. Another principle which was confirmed by this study as still being appropriate was that provisions of pension plans may vary for groups within the federal service. As a result, amendments are being introduced in the various acts where a restriction exists to permit a pensioner who is re-employed to receive his or her pension unless he or she again becomes subject to the same pension plan under which that pension was paid.

Provisions are also included to permit the transfer of pension credits from one government plan to another in certain situations where such transfer provisions do not already exist.

Those are the principal amendments of broadest application to several of these acts. In addition, there are numerous amendments consequential upon new provisions in other legislation or designed to remove anomalies in the interest of greater consistency, deal with problem cases and a variety of matters which have arisen in the course of administering the various acts to which this bill applies.

The bill proposes the introduction of contributions to the Judges Act, a feature which is common to most of the pension plans covering the federal public service. As hon. members will have noted, members of the judiciary appointed before February 17, 1975, will be required by this bill to contribute 1½ per cent of their salaries toward the cost of the improved level of judges' widows' benefits proposed under Bill C-47. Judges appointed after February 16 will contribute 6½ per cent of their salaries toward the cost of their own and their survivors' pensions.

This rate is the contribution rate also proposed under Bill C-23 for the new superannuation plan for Lieutenant Governors and is the same rate as is paid by Senators under the Members of Parliament Retiring Allowances Act. Similarly, another amendment to the parliamentary pension plan will increase the rate of contribution to 6½ per cent of the Prime Minister's salary in respect of the Prime Minister's pension. At the same time the minimum age at which a former Prime Minister can draw his pension will be reduced from 70 to 65, which is now a more normal age for the commencement of retirement pensions than when the higher age was introduced in 1963.

The increase proposed in the level of the pensions of the widows of former Prime Ministers from one-third to one-half of a former Prime Minister's pension corresponds to the increase proposed under Bill C-47 in the level of pensions for the widows of judges.

This completes my description of the substance of the most important of the 106 clauses in this bill. Clearly it would not be possible to explain all of them today, but there will be ample opportunity to do so when the bill is before the Special Joint Committee on Employer-Employee Relations in the Public Service, or the Standing Committee on Miscellaneous Estimates depending on the resolution of the matter referred to earlier this evening. Mr. Speaker, I recommended to the House second reading and passage of this bill.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, seeing me rise again on this occasion one might be inclined to say this is my day in the House, but I certainly do not want to give that impression.

It affords me a great deal of personal pleasure and satisfaction to speak on second reading of this bill. It is the culmination of many resolutions and private members' motions. We have seen them lauded sometimes and other times criticized, but eventually always ending up down at the very bottom of the list. When the subject matter of the motion I had put forward was accepted in the House I was very pleased. It was sent to the Standing Committee on Miscellaneous Estimates where we heard witnesses from the armed services, the Royal Canadian Mounted Police, the Treasury Board and others. That committee unanimously recommended the contents of that motion to this House and, hopefully, to the government.

On page 1, clause 2, under the heading Public Service Superannuation Act there appears this title "Equality of Status" and it is precisely that at which I have been driving. In many ways there was an inequality of status. In the present year, International Women's Year, I suppose many people think I am referring to inequality of status as between females and males. Yes, that did exist, but that is not with what my motion deals. It is not its purpose.

● (2110)

I felt for years that there was an incredible inequality of status affecting public service personnel such as members of the armed services, the Royal Canadian Mounted Police, members of parliament and senators, in that they did not enjoy equality of status with regard to their superannuations. I do not know; I suppose it goes back to old General Lafleche, or to the mid 1930s, when it was deemed wrong for public servants to draw two salaries or benefits from the Crown. For example, on appointment to the position of deputy minister of national defence, the public service salary of the general and his pension entitlement were fused into the one salary, because it was deemed wrong at that time that he should draw two benefits.

As I have explained previously, people who have served in the armed forces originally were completely prohibited from joining the Public Service of Canada and drawing superannuation while serving with the public service. It was held at that time that no double benefit should be paid to any public servant.

The principle was set aside when members of the armed services, and of the Royal Canadian Mounted Police up to and including the rank, or its equivalent, of warrant officer class 1 were allowed to retire on full pension and enter the service of the Government of Canada without any

diminution or merging of pensions. But this did not apply to those of commissioned rank in either of the forces who wished to serve in the Public Service of Canada. If the position taken in the public service meant that the pay in the public service was more than the pay applicable to the rank of the employee at the time of retirement, a formula for the diminution of the superannuation allowance was applied.

Strangely enough, although it applied to the Queen's service in the right of Canada, it did not apply to the Queen's service in the right of a province. Therefore a great number of highly trained people, trained at the expense of the Government of Canada, were forcibly diverted into the service of provincial governments. I do not say that the provincial governments lost thereby or that the people of Canada necessarily lost. But I do say that the Government of Canada by so applying the formula prevented many superannuates from the armed services and the RCMP from working for the Government of Canada.

Of course we could not have a member of the Public service of Canada drawing a pension if he gained employment in the armed services. No, that could not happen. The position was even more anomalous with regard to members of the House of Commons and the Senate who, because they were entitled to pension by virtue of service in this House or the other place, could not take employment in the service of the Crown of Canada without losing their pension entirely. Mr. Speaker, they lost it. I think there was a return of contributions when they died, although at one time the contributions were lost. That is how brutal it was at the beginning.

This provision was modified slightly. Strangely enough, a member of the Public Service of Canada could, on retiring and enjoying either a whole or partial pension, be elected to the House of Commons and maintain his pension, which would be paid over and above his parliamentary or senatorial salary—the latter case applying if he were appointed to the Senate. Is that equality of status? Hardly. There was no equality.

I should mention that many members of this place, being qualifed as lawyers, over the years were appointed to the bench and, with great distinction, carried out the duties of the justices of Canada in all courts under the jurisdiction of the Minister of Justice. Strangely, even though they might have served here for 200 years and built a pension entitlement, when they went to the bench the pension entitlement was gone. They could not draw the pension. Actually only in recent years were their contributions allowed as an asset to their estates. I tell hon. members that this, in recent years, has served to the grave disadvantage of many members of this House who accepted court appointments.

On the other hand, lawyers who were practising in the provinces, who were members of the law societies of the provinces and who were appointed directly to the bench had, in many cases while in practice built up a pension entitlement, annuity or additional income which allowed them to enjoy their position on the bench, when pay for the bench was not too generous, with a degree of ease which made them completely independent. They were completely independent and above temptation. But the member of parliament who went to the bench without any pension had a hard time. I have heard many members of the bench complain that, frankly, on their salaries they could not afford to live at the level at which judges are expected to live. They had no accumulated pensions. They had accumulated a pension while serving this House, but they had not had the opportunity to practice while serving as a member of parliament, and that was that.

I am looking for equality of status, Mr. Speaker. This bill will allow members of parliament, or of the other place, if they have entitlement to pension to merge it into the superannuation scheme of the public service if they join the public service.

I do not suppose that we shall frequently see a member of parliament joining the armed services on retirement from this House, although of course, there may be wartime situations, in which case this possibility would arise. I think it is highly unlikely, but there is always the possibility.

● (2120)

I am not sure that this act now provides for a member of parliament to go to the bench, take his pension with him and receive it, which he would do if he were to become a provincial judge. Remember, the levels of pay of provincial judges in some provinces are the equivalent of county court judges under the federal act. There would be a terrible anomaly created there. A member of parliament, highly suited to go to a district court, might say that because he is going to be limited to salary he will become a provincial judge rather than a federally appointed district court judge. There again I want to obtain an equality status in so far as those positions and the entitlements under the pension plans are concerned.

I have not been able to examine the detail of the Superannuation Act. However, in so far as it applies to females, when in practice I came across a provision which I called the gold-digger clause and I think it should be severely modified if not totally eliminated.

A member of the Public Service of Canada may in his senior years marry a second, third, fourth time or whatever it may be. He may marry a woman more than 20 years his junior. At the time of his demise, he may be retired, still married and cohabiting with his last wife. At the time of the death, because the wife is more tnan 20 years his junior, the superannuation she would receive under the present act would stand abated under a formula of so much for each year.

I have seen cases where in middle years a man marries a woman more than 20 years younger than he. They are married for 30 years. The second wife is a mother to the children of the first family. I know of one case where the children and husband say that the second wife was a far better mother and wife than the first. The man died at the age of 85. His widow was age 61. Under the Superannuation Act she was not entitled to the full widows' entitlement.

An hon. Member: Why?

Mr. Lambert (Edmonton West): Because of the gold-digger clause. The marriage took place before retirement. Had the marriage taken place after retirement there would be no survivor entitlement. That is what might be called the ultimate anti-gold-digger clause. The other one is unfair. If the parties, regardless of the age difference, have been married for ten or 15 years and at the time of death they were cohabiting together, living as man and wife, the widow should receive the full entitlement of the pension.

I have also had drawn to my attention something that I trust will be caught here by reason of a combination of the Income Tax Act and the Superannuation Act.

At the time of the tax reform in 1971 the then minister of finance indicated that through tax treaties there would be an elimination of any advantage then existing whereby a public servant retiring to another country for reasons of health or domestic felicity would not have any tax withheld. Because of the tax treaty in existence there was no withholding tax of 25 per cent. Mr. Benson indicated that this would be wiped out. I remember him telling me that any public servant who had worked for Canada, retires, receives a pension and lives in the Virgin Islands or the Bahamas will have 25 per cent deducted from his pension. That was it. That is under way at the present time.

I want to find out from the President of the Treasury Board (Mr. Chrétien) whether that philosophy is still applicable. Will a public servant of Canada, or a member of the armed services or the Royal Canadian Mounted Police who is living offshore be immediately penalized by having 25 per cent of his superannuation held back regardless of the amount of tax that he is paying in the country of residence? That 25 per cent would certainly not be refunded to him even if he paid a further 25 per cent in the country of residence. He would be paying 50 per cent of his pension for income tax. That was not only a foolish, but a prejudicial and improper proposal by the government with regard to former public servants.

There are many other details in this bill. One could go through them almost like prayer beads because they are very detailed. However, the explanations will come about in committee. As the parliamentary secretary and the hon. member for Winnipeg North Centre (Mr. Knowles) said, the appropriate agreements can be reached so that this bill will go to a staff relations oriented committee where the necessary studies can be made and then have the bill referred back to this House and passed during this session of this parliament.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as has been pointed out, this is a bill of 89 pages and 106 clauses. Therefore we are hardly going to deal with it in detail at this second reading stage.

I am glad that the earlier commitment to let this bill go to the special joint committee that is dealing with public service matters is going to be honoured. That committee has held many sittings. It is seized of problems in the public service. I think that it is the proper body to deal with this legislation, much of which does relate to public servants.

• (2130)

In introducing the bill the parliamentary secretary pointed out that in some respects it is a housekeeping bill, a bill which includes many technical changes, the purpose of which is to correct anomalies that inevitably occur in the various pieces of pension legislation on our statute books. Although I shall have some critical things to say when I point out certain anomalies that have not been corrected, and even though I shall object to some of the things that are being done in the bill, I say that, on the whole, a good job has been done in making progress in our superannuation legislation, having regard to the various pensions that come under the aegis of the federal government.

I think it is appropriate that in this year that has been identified so often as International Women's Year special emphasis is being put on establishing equality of status between men and women. I am glad that the bill not only asserts that in fine rhetoric but also carries the principle forward in certain precise situations. I shall come in a moment to one or two instances in which equality has not yet been established as between men and women, but I suppose it is still a cardinal rule around this place that if we make progress at all, even though it be slow, this is something to be welcomed.

I am glad that the parliamentary secretary was able to report on the extensive consultations that have taken place with those who represent public servants, and that to a large extent the provisions in this bill have their support even if the bill does not carry out all of their wishes.

It may be just pointing to a small detail or two, but while I am noting what is good in the bill I welcome the fact that we are at the end of non-contributory pensions for judges and also that we are at the end of non-contributory pensions for retired prime ministers. As hon. members are aware, the Prime Minister of Canada (Mr. Trudeau) as a member of parliament contributes to the Members of Parliament Retiring Allowances Act, but up until the present time he has made no contribution to the extra pension that he will get for being a retired prime minister.

Mr. Lambert (Edmonton West): And I do not think he should either.

Mr. Knowles (Winnipeg North Centre): My hon. friend from Edmonton West says that he does not think he should.

Mr. Lambert (Edmonton West): Not the Prime Minister.

Mr. Knowles (Winnipeg North Centre): I think that if a judge is expected to make a contribution to the generous pension that he gets, then the Prime Minister should do the same, and I am glad this requirement is in this bill. As a matter of fact, as the hon. member for Edmonton West knows, when the parliamentary secretary was speaking—or perhaps it was when the hon. member was speaking, I forget which—I made one of those suggestions that did not get on the record. Sometimes I think that what we should have in this place, at least for a day, is not a record of what is heard by the *Hansard* reporters but a record of what is said and not heard. At any rate, there was some suggestion

made about lowering the age at which a retiring prime minister can draw his pension. So far as the present Prime Minister is concerned, I suggested that we could bring the age down to 50.

Mr. Lambert (Edmonton West): Careful, your slip is showing.

Mr. Knowles (Winnipeg North Centre): I think my hon. friend from Edmonton West agrees with me.

Mr. Lambert (Edmonton West): Philosophically speaking, of course.

Mr. Knowles (Winnipeg North Centre): Yes, philosophically speaking. We are not dealing in personalities at all. In any case, those are the points I wanted to make by way of stating my approval of the bill. As I say, I think those who have done the technical work on the bill have produced an excellent job, and that all of the various pension and superannuation statutes that will be amended by the bill will be in better shape when this process is over.

Since a good deal of what the parliamentary secretary had to say and a good deal of the emphasis in the bill deal with equality of status between male and female persons, I should like to say a few words about this particular aspect of the matter. It is true that there is to be equality on the contribution side, and I welcome this. Female employees in the public service will pay the same contribution as male employees, just as female members of parliament have been paying the same contribution as male members of parliament. There is also an attempt to establish equality on the benefit side, and I believe the details that have been announced go a long way in this direction.

I realize that when we are dealing with language, whether English or French, we have trouble with the use of the words "he" and "she". So we usually provide a general covering sentence or paragraph that says that when the act refers to "he" it can mean "she", that when it refers to "him" it can mean "her". I also note that although in most cases the language goes even further and accepts the fact that there will be female public servants who leave widowers, and that there will be female members of parliament who will leave widowers, when it comes to two offices in this country, that of the Prime Minister and the Governor General, as I read the legislation it is not anticipated that any woman will ever make it. I am really surprised that the hon. member for Kingston and the Islands (Miss MacDonald) is not here to object.

On page 76 of the bill there is reference to the possible death of a prime minister. I am not predicting it; I am just saying there is reference to it. Clause 88(2) provides:

> There shall be paid to any person who, on or after the coming into force of this subsection, is widow of a person described in subsection (1), if she was the wife of that person at the time he held office of Prime Minister—

There is no recognition that the Prime Minister might be a woman and might leave as a survivor a widower.

Then on page 81 of the bill we find the same thing with respect to the office of the Governor General. The possibility of a woman being governor general is not far fetched. A woman is Her Majesty's representative in the province of Ontario. Yet on page 81 we read this provision:

> (2) Where a Governor General dies while holding office as such, there shall be paid to his widow an annuity equal to one-half of the annuity that would have been paid to her husband if he had retired on the day on which he died.

Mr. Baker (Grenville-Carleton): This is covered in the interpretations section.

Mr. Knowles (Winnipeg North Centre): I know that if we do have a female prime minister or a female governor general and one of them dies, the surviving widower will be covered by the interpretation section and by the rhetoric that is in this legislation. But since we found it possible to go further in all other cases and admit that there are going to be women public servants and women members of parliament, I think we might also admit that some day we might have a woman prime minister as well as a woman governor general in this country.

Mr. Lambert (Edmonton West): We have males and females enjoying equality of status and human rights.

Mr. Knowles (Winnipeg North Centre): My hon. friend is quite right. The rhetoric is there. Legally the point is covered, there is no question. If we have a female prime minister who dies and leaves a widower, he will be covered. But the very capable persons who drafted this bill and do such a good job on these things just seem to have fallen into the expectation in this country that the Prime Minister will always be a man. I would gladly trade the man we now have as Prime Minister for a woman.

● (2140)

An hon. Member: How about Beryl?

Mr. Knowles (Winnipeg North Centre): Let us not be too specific. I am speaking philosophically.

Mr. Lambert (Edmonton West): That puts a low value on woman, though.

Mr. Knowles (Winnipeg North Centre): The more serious ways in which equality has not been achieved are perhaps two, and one of them is the point the hon. member for Edmonton West has already referred to, namely, in what he calls the "gold-digger" clause. I dislike using that phrase because it suggests right away that someone is trying to get something, but the hon. member is perfectly right in his contention that the provision we are talking about should be changed.

I am going to refer not just to a second wife who became a wife before the employee retired, such as the example already cited. I know of a case of a woman whose husband died just recently. They had been married for over 25 years after the husband had retired from the public service. There was no widow's pension for her because she married him after his retirement. To me, this is most unfair.

This situation runs through all our pension legislation including the Public Service Superannuation Act, retirement acts for personnel of the armed forces or the RCMP, members of parliament and so on. The only place that I know where a person having gone on pension and, marrying thereafter, leaves a pension to the widow is the veteran who gets a pension under the Pension Act. If that veteran's pension is 48 per cent or more, when he dies his widow gets a widow's pension under that legislation. The hon. member for Edmonton West suggested some things tonight that he knows I would not agree with, but on this point he was

right, and I hope this can be looked at carefully in the committee to which this bill will be referred.

I would not want to open the door wide and make it possible for some lively young person to marry a retired public servant who is on a very high pension because she knows he is going to die within a few months. I do not mind establishing some time limit, but to make it law that there can be no pension if the marriage took place after the retirement, especially when we are moving toward early retirement, and especially now when so many public servants at high levels can retire at age 55 on full pension, if they have 30 years of service, and when members of the RCMP and the Canadian armed forces can retire in earlier years, I think the present practice is wrong, and that the provision needs to be looked at very carefully. I hope we shall do so in the committee.

The most serious violation of the equality of status as between men and women is one I have left to the last. I mean I have left this to the last of this part of what I am saying, and not to the end of my speech, so do not be misled.

This part of my speech relates to unfairness to women and to a piece of discrimination I think is the worst. I know it may take us a while yet to win this change, not only in respect of government pensions but in all pensions, but I think it is something that has to come.

I just cannot see the sense, the fair play, the decency or the equality of status in an arrangement under which you have a man and wife who have worked together, and I do not care which one has been in the home or which one has been out working, or whether it is both, building up a pension which happens to be in his name, and when he dies first her pension is cut to 50 per cent, but if she dies he gets the full pension.

I suppose there was a notion once upon a time that a widow could find another husband but that a husband perhaps needed a full pension so he could finance another wife, but this is not equality. I suggest very strongly that this has to be looked at, and it is time the government gave a lead in this matter in our own pension arrangements.

The members of parliament plan lets us do a little better for our widows than we have done for public servants' widows. We provide that their pensions will be 60 per cent, but the same story applies. A person can be a member of parliament for many years and build up one of these pensions, and he finally quits or gets defeated and together he and his wife have the joint pension. If the wife dies first he has the pension in full for the rest of his life, but if he dies first, despite all that she may have suffered because he was an MP, she gets only 60 per cent of the pension.

I have no illusions about the difficulty of winning the change I am seeking. I have no notion that this committee is going to solve this problem in the period between now and Christmas when I hope we will deal with this bill, but I think we have to start doing some work on it in respect of all of the pension plans over which the federal government has jurisdiction, and that applies to the pensions in the public service, the armed forces, the RCMP, diplomats, Prime Ministers, Governors General, judges, tax review board members, members of parliament and everybody else. I want to see the same thing in respect of private pensions too. I want to see the Canadian National Railways and the CPR start on this as well. I want this for pension plans generally.

The fact of the matter is that there are still quite a few pension plans around that do not have any widows provisions. This is really antediluvian, but there are still such plans, and there are plans with even less than 50 per cent for the widow's pension. But any difference at all is no longer valid.

Someone might want to suggest that this calls for more money on an actuarial basis. All right, let us put more money in. Let us not deny fairness because it would cost something to achieve fairness. Maybe someone will want to say that it would be a bit expensive to go for 100 per cent in either case. All right, let us settle for 85 per cent or 90 per cent. Let us provide that so long as the husband and wife are both alive the pension will be 100 per cent, but if one of them dies, no matter which one, the survivor draws 85 per cent or 90 per cent, instead of it being 100 per cent for the man and only 50 per cent for the woman. So long as we have that bit of gross inequality, and I think it is the worst one in the whole picture, we can hardly say we have implemented the fine rhetoric that is in this bill in respect of equality of status as between men and women.

Let me now move to some other things I hope we will look at in the committee. There are still a good many veterans around, certainly of World War II, and there might still be some around from World War I, who would still like to buy back their armed service pension credit for the purpose of their service in the public service. They were not able to do it at the time for financial reasons or—let us face the facts—these persons were in their late twenties or early thirties and not as conscious of pension requirements as they were a decade or two later.

The right is in existence, but what it cost now to buy back a pension credit for wartime service, and I am talking about veterans who served in the war and are now in the public service, is so astronomical they just cannot afford it. I hope this will be looked at. I think that is more important than some of the other things which have been dealt with in this legislation.

Mr. Lambert (Edmonton West): That is a toughie.

Mr. Knowles (Winnipeg North Centre): The hon. member for Edmonton West says this is a toughie, and I agree with him. In my view one of the issues he complained about and fought for was also a toughie, but he has won it. I did not agree with what he wanted, but this is his night to rejoice and not mine in that particular respect. I think that this right of the veteran with regard to his wartime service for pension purposes should be given a thorough review.

● (2150)

While I am speaking about veterans may I speak about Canadian armed forces personnel and Royal Canadian Mounted Police personnel who have the privilege of retiring—in fact it is not just a privilege but is compulsory—at a fairly young age of 55, 50, or even in the late forties. When they have completed their tour of duty by compulsion they retire. Their pension arrangement at the point of retirement is not bad. At least it does not seem bad cur-

rently, but those who have been retired for a number of years think the present arrangements look pretty good compared with what it was at the time they retired.

However, retired RCMP and retired armed forces personnel have to wait until they are 60 years of age to get the benefit of the escalation of federal government pensions which is generally available. When that was introduced in the first place it was fixed at age 60 because that was the normal retirement age in the public service. Many public servants now can retire on full pension at age 55 and receive the escalation immediately. Some public servants retire at even a younger age. If it is for medical reasons they receive the escalation. But quite a few persons in the RCMP or in the armed forces who retire at age 48, age 50, age 53 or what have you must wait until age 60 before they can receive the escalation.

Mr. Lambert (Edmonton West): If they retire on medical grounds they receive the escalation.

Mr. Knowles (Winnipeg North Centre): I said that. If a man can get sick the day before he plans to retire, he can receive it in that way. He cannot get it after he has retired unless it can be shown that he was incapacitated due to service. My hon. friend from Grenville-Carleton asks whether that applies to members of parliament. Yes.

Mr. Baker (Grenville-Carleton): And judges.

Mr. Knowles (Winnipeg North Centre): I am not sure about judges, but certainly members of parliament. It is a pretty general rule that the escalation does not begin until age 60. When one reaches age 60 he receives the full benefit of the percentage points accumulated over the years. If a person has been out for ten years and the cost of living has gone up by 50 per cent, then at age 60 he receives a 50 per cent increase in his pension that year, but he does not get anything back for the years in which he had to cope with the rising cost of living. There is no escalation in that case. I think this should be reviewed.

It is not unusual for me to raise this. I have raised it repeatedly with the President of the Treasury Board (Mr. Chrétien), the Minister of National Defence (Mr. Richardson), and the Solicitor General (Mr. Allmand), and have received dozens of responses to the effect that the matter would be given consideration, but it never seems to get any further than that.

With regard to escalation which is covered under the Supplementary Retirement Benefits Act which is being amended in some respects by this bill, I think the same arguments apply that apply in respect of the escalation of other pensions. I was not one of those who carried on or played any great part in the question of whether the escalation should be quarterly rather than annually. I felt that a few cents or a few dollars now or then really did not solve the problem but that the need was for more substantial increases in the basic amounts. However, once it has been established that some pensions are escalated quarterly then the persons who would get escalation only once a year feel there is discrimination and unfairness against them, and they are right.

The only pensions that are escalated quarterly now are the old age security pension, the guaranteed income supplement, the Canada Pension Plan and war veterans allowances. The disability pension for veterans is not escalated. None of the pensions for public servants, the RCMP, or the armed forces is escalated quarterly whereas that is the rule, as I say, with regard to certain others. I think that should be changed.

Again, in relation to the whole gambit of pensions there is always a lag in respect of escalation. If you get an increase in January 1976 of 10.1 per cent, which is what retired public servants will get a couple of months from now, how is that 10.1 per cent arrived at? It is arrived at by comparing the average cost of living for the 12 months which ended on September 20, 1975, with the 12 months which ended on September 30, 1974. The cost of living in the later 12-month period is 10.1 per cent more than in the former period, so you get a 10.1 per cent increase in the pension in January 1976. But we are talking about a cost of living increase which took place in a period right back into 1974. In other words the formula that we now have means that we are always behind in the escalation of pensions.

This might not apply as much in this area as in respect of senior citizens—and I have in mind the old age security pension—but it still applies here. There also should be a special cost of living index that measures the actual cost of living experience of retired persons. The consumer price index now used, as put out by Statistics Canada, is a general one which covers the whole gambit of living costs, including many items that retired persons do not buy. We have been told from time to time that Statistics Canada is working on a special index. I think there should be one, certainly in respect of the old age pensioners. So, Mr. Speaker, I urge that some of these matters I have been speaking about be looked at in the committee. I have a few more suggestions but perhaps they had better wait until tomorrow morning. May I call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ROYAL CANADIAN MOUNTED POLICE—ALLEGED SURVEILLANCE OF CERTAIN CANADIANS OF ARAB DESCENT—REQUEST FOR REPORT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on October 30 when I asked the Solicitor General (Mr. Allmand) about the surveillance of Canadians of Arab descent it was against a background of great concern about the inequity, if not iniquity, in having decent Canadian citizens smeared.

The outrageous and harmful article in the *Globe and Mail* on October 27 is but one of the efforts to malign the record and impugn the motives of one group of Canadians, namely, those who came themselves, or whose ancestors came from the Arab countries. The article itself was suf-

ficiently disturbing, but the contradictory statements following it muddied the waters further. After discovering who Mr. Toupin was, the Solicitor General declared that the Arabs were not under surveillance, while security director Toupin was quoted in the same news item as saying they were. I am glad the minister reiterated his own view when he answered my question. Yet there is far from sufficient reassurance on this matter.

Four days after my question a young Canadian of Arab descent gave information on the CBC to the effect that he is being questioned by the RCMP. This young man, Ismail Munder of Winnipeg, declared that he was being interrogated about the PLO, the Montreal Olympics, and the Arab community. Mr. Munder claimed that he was being treated as a potential subversive. These are the young man's words. He is, I am sure, only one of many Canadians in this category. Therefore I am less than satisfied with what is going on. For many months I have heard of Canadians of Arab descent being watched, interrogated, and generally made to feel like second class citizens.

● (2200)

A good government in a good democracy must be ever zealous of the rights of the citizens and concerned lest the individual be made to suffer because of his membership in any linguistic, ethnic or social group.

Canadians of Arab descent, like all other Canadians have the right to be considered innocent unless and until they are proven guilty.

There is a far too prevalent tendency in this country and in the United States to degrade the word Arab and Arab peoples. It is subtly, and sometimes not so subtly, suggested that all PLO are terrorists. All Palestinians are PLO, so before long you get to the nasty implication that all Arabs are seen to be terrorists.

How many times, when the increase in the price of oil is discussed in the media, does one hear the expression "the Arab states have again hiked the price of oil"? Often this is followed by the use of the expression blackmail. Of course in OPEC are such prominent non-Arab states as Nigeria, Venezuela, Iran, Indonesia and Ecuador.

This same tendency to stigmatize and suspect whole groups is revealed in our government's immigration department. Time and time again when Palestinian leaders are invited to address perfectly reputable and respected organizations they are harassed, delayed, and made totally unwelcome at immigration centres and borders of this country. I spoke in the House some months ago about the treatment accorded Dr. Fayez Sayegh, a distinguished scholar and statesman, who was guest speaker at the annual meeting of the Canadian Arab Federation. This was as unnecessary as it was deplorable.

Of course any government has the right, indeed the obligation, to give thought to national security. In a world where terrorism is tragically too common there is a special problem. But it is wrong to assume that terrorism is unique to some frustrated Palestinian people. We know that there is much violence, and even in the Middle East it is not confined to Palestinians or Arabs. It is wrong to be snooping on decent Canadian citizens because their people came from an Arab country. Are our security people checking up on all Irish societies in this country because there is terrorism in Ireland? Surely not. But there is much snooping into Arab organizations in this country, which is reprehensible and indecent.

The *Globe and Mail's* sensationalist article has been injurious to many of the 90,000 Canadians of Arab origin with its reference to conspiracy, and students plotting this, and others scheming that. The minister, of course, is not responsible for the press, and the bias of the *Globe and Mail* on the Middle East crisis is too well known to warrant discussion. But I do call on the minister who, while often wrong, is still, I think, a well-intentioned man, to be just and fair in his treatment of Arab Canadians. I ask him to see that his security people do not trespass on the rights of decent Canadians because they happen to be related to people from the Arab world.

Mr. Hugh Poulin (Parliamentary Secretary to the Solicitor General): Mr. Speaker, in reply to the hon. member for Hillsborough (Mr. Macquarrie) may I say that I know that he has stated in his concluding remarks that the sensational article which appeared in the *Globe and Mail* is not the responsibility of the minister.

In response to the hon. gentleman's question I must repeat what the minister has already said, that is, that the RCMP has indicated that there is no plot among Arab Canadians such as imputed in the *Globe and Mail* last week. I repeat this, for I wish to make it very clear that I believe Canadians of Arab background are honest, hard working citizens, and their integrity and honesty should not be questioned.

Some hon. Members: Hear, hear!

Mr. Poulin: Doubts of this nature cast upon any group in Canada because of ethnic background are most unfair and unjust.

However, as I am sure this House is aware, there has been an increasing amount of terrorist activity in recent years. This activity has not been limited to any one country. Indeed it would appear that no country is immune from these attacks. I am sure that this is of concern to all members of this House, and likewise to all Canadians.

The Solicitor General (Mr. Allmand) has an obligation, through the RCMP, to ensure the security and safety of Canadians from these terrorist activities. The RCMP security service is in communication with all ethnic communities in Canada in an attempt to ensure that terrorist activity may be discovered before it can harm any citizen. It is part of the ongoing dialogue with people in Canada who may have information or who are prepared to co-operate in ensuring that terrorist elements are not successful in carrying out their acts in this country.

Although terrorist activity is not limited to any one particular time or location, the incident at the 1972 Olympic Games in Munich shows clearly that individuals or groups who favour these methods endeavour to select times and places which provide the greatest amount of publicity for their cause.

The RCMP security service is concerned about the possibility of terrorist activity at the Montreal Olympics, and therefore is taking every precaution to ensure that there are no such occurrences. They would be derelict in their

duty as security officers, as would the Solicitor General, the minister responsible for the RCMP, if they did not proceed in this fashion.

The Solicitor General has stated publicly that the RCMP are aware of the existence of many individuals and groups who are sympathizers on both sides of the Palestinian conflict. As I have stated, the RCMP are always on guard against terrorism of any kind, and in this respect become aware of groups and individuals who are sympathizers to one side or the other. This is not limited to this conflict alone.

Once again I think it is most unfair and most regrettable if this story has cast a shadow of subversion, as has been described by the hon. member, on the many thousands of decent, law abiding Canadians of Arab descent.

Some hon. Members: Hear, hear!

VETERANS AFFAIRS—PROJECTS AND ALLOWANCES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I think I may be setting a precedent tonight because I am bringing to the attention of the Minister of Veterans Affairs (Mr. MacDonald), through his very capable parliamentary secretary, a double barrelled question with regard to two matters of concern. One is the veterans housing program, and the second is a problem with regard to the disparity which exists between the war veterans, civilian war allowances and the disability pensions as they exist at present.

I wish I had time to bring forward a third question which relates to an editorial in the *Globe and Mail.* Some young whippersnapper had occasion to say that if the government was looking for restraint there are many areas under the Department of Veterans Affairs which could be curtailed.

Some hon. Members: Shame!

Mr. Marshall: At some time in the future I would certainly like to be able to deal with that young whippersnapper and teach him what Canada is all about.

However, I wish to refer to the fact that as a result of the discontinuance of the Veterans' Land Act the government introduced two programs under veterans housing legislation, one as it applies to non profit housing, and one as it applies to some additions under the Assisted Home Ownership Program. As I have said many times before in the House, one of the things which is missing which I cannot understand is the availability of rehabilitation assistance for all Canadians. Whether veterans or not, all Canadians should be able to apply for loans and grants to rehabilitate their homes which are deteriorating because under fixed incomes they cannot keep up with the maintenance of those homes.

● (2210)

I hope that the parliamentary secretary will remind the minister, although I am sure he is aware of it, that somewhere along the line we have to influence the Minister of State for Urban Affairs (Mr. Danson). We must convince him that it is a simple matter to introduce a rehabilitation program which would give veterans the chance to bring their homes up to a reasonable standard.

I see the Minister of Finance (Mr. Macdonald) is in the House tonight. I am sure he will recognize that when he was minister of energy, mines and resources we could have saved millions of dollars worth of fuel through good insulation for those homes throughout the country that had deteriorated. It would also have been a conservation measure.

I commend the government for bringing in improvements to the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act which mean that those veterans who are burned out and pre-aged have surpassed the disability pensions of those who were wounded and are receiving pensions under that criteria.

For example, a disability pensioner who is married and getting 75 per cent pension who has no other income gets $509.43, whereas his counterpart under the War Veterans Allowance Act gets $548.05. Besides that, the war veterans allowance recipient can get drugs for any disability, while the disability pensioner can only get drugs for the particular wound from which he suffers. In addition, the income of the WVA recipient is indexed quarterly while the income of the disability pensioner is indexed annually.

I have no quarrel with the Minister of Veterans Affairs or the government, but this points out that as a result of the amendment to the War Veterans Allowance Act, for these men who have surpassed disability pension there has to be some way of resolving both pensions. The disability pensioner who has no other income has fallen behind and must be brought up, particularly today when inflation is hurting every fixed income pensioner in the country.

I appeal to the minister to have the Canadian Pension Commission and the War Veterans Allowance Board look into this matter. A disability pensioner who is receiving a pension from 5 per cent to 75 per cent and has no other income can qualify for a higher rate, but because he does not know this he is losing hundreds of dollars per year. I think the department and the minister should bring this fact to the attention of all disability pensioners in that category so that they may take advantage of what is available to them.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I take great pleasure in replying on behalf of the Minister of Veterans Affairs (Mr. MacDonald). First may I deal with the question concerning the WVA group. I shall deal with disability pensioners and war veterans allowances. Actually, the hon. member raised two questions. I shall try to answer both.

I think the hon. member knows that the minister has held discussions with the officials of the commission, and a stuffer will be placed in the envelope with the monthly pension cheque in the very near future. This stuffer will advise that the quarterly adjustment affecting income ceilings for war veterans allowance may make possible increased WVA payments if application therefor is made. I think that is clear.

Canadian pension commission officials feel that all pensioners should be advised of these changes so that they can contact the Department of Veterans Affairs to determine if they are in receipt of maximum benefits. The minister

would like to make it clear, in the circumstances outlined, that pension rates are based on the statute and not subject to change. Certain pensioners, however, if they have no other income may seek to have their pensions supplemented by WVA.

The hon. member gave notice of his concerns for people on war veterans allowance. I shall certainly be glad to bring his new ideas to the minister's attention. The hon. member should be congratulated on his concern for veterans.

The second part of the answer has to do with housing. I shall do my best to satisfy the hon. member. The question of adding to the veterans housing program a provision which would permit veterans, irrespective of their province or location within that province, to apply for assistance to rehabilitate their houses has already been brought to the minister's attention. I hope the hon. member will pardon me for going slowly. In a sense I am translating the document in front of me which is written in the first person.

The minister has stated that he will give the question his serious consideration. He would, however, like to add that in terms of priorities he believes he must delay consideration until such time as his recently announced program of special housing assistance for veterans is well established and he is certain that the machinery is operating effectively, to the benefit of those veterans concerned. In other words, he believes that consideration must await the time until he is able to assess the success of the special housing assistance for veterans program.

I may say to the hon. member that I myself have discussed this question with the director general of the veterans' land administration, who explained what is in the program. I think what he said would have pleased the hon. member. The minister wishes to add that such assistance as he has been asked to consider is of concern to his colleagues as well, especially as it would affect Central Mortgage and Housing Corporation. Such assistance goes beyond the provisions of existing legislation; therefore he will have to discuss the matter with his colleagues.

In summary, I can only reiterate that this matter will be given the minister's fullest consideration when he is certain that the present housing assistance program for veterans is fully and successfully operating.

Mr. Deputy Speaker: The motion to adjourn the House now being deemed to have been adopted, this House accordingly stands adjourned until eleven o'clock tomorrow morning.

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Friday, November 7, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

PROPOSED PROHIBITION OF STRIKES DURING PERIOD ANTI-INFLATION PROGRAM IN EFFECT—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in accordance with the provisions of Standing Order 43, I rise to propose a motion for immediate and serious consideration. Because of the fact that strikes and walkouts, particularly in essential services, continue to have an adverse effect on our economy, and as a result are a major factor in the continuing escalation of inflation, I move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That this House instruct the government to incorporate into its anti-inflationary legislative program an immediate back-to-work rule for any striking groups or individuals within the essential services of our economy, and at the same time prohibit any further strikes or walkouts in the essential services for the duration of the controls period.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

REQUEST FOR ACTION ON PROGRAM TO AID NATIVES MOVING TO URBAN AREAS—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the many serious problems facing the thousands of Indian and Metis people who are now moving into our large cities, and in view of the fact that in 1972 the then Secretary of State, Mr. Gerard Pelletier, committed the government to a five-year program of $25 million for migrating native people, and in view of the fact that a large part of this program has not yet been delivered, including $11½ million allocated for administration projects, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the government to act on this matter without delay.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

THE CANADIAN ECONOMY

SUGGESTION PRIME MINISTER ACCOUNT FOR FACT STANDARD OF LIVING IN CANADA HAS DETERIORATED—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of a report by the prestigious Conference Board of Canada that in 1968 when the Prime Minister first assumed office Canada had the second highest standard of living in the world, and that in 1975 Canada had slipped to eighth position and the prediction that by 1985 Canada will have become seventeenth in the world in this regard, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the Prime Minister, at the earliest opportunity in the House and while he is on his current tour explaining why he reversed his 1974 position on controls, give an accounting to the Canadian people of the circumstances involving his presiding over our country's steadily eroding position and the basis for this lamentable state of affairs, and whether or not he is prepared as our Prime Minister to accept any of the responsibility.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, on Tuesday of this week the Prime Minister said in the House that the apparent success of the Postmaster General would hopefully relieve parliament of the responsibility of acting to end the Post Office shutdown. Since there is no prompt

settlement in sight and the shutdown is now three weeks old, will the government now introduce legislation to restore the postal service to Canadians which will provide a further period for resumption of negotiations?

Right Hon. P. E. Trudeau (Prime Minister): Not now, Mr. Speaker.

Mr. Clarke: On Tuesday the Prime Minister said:

> At some time the right of free collective bargaining has to give way to intervention by parliament when we judge that the public disservice caused by a strike outweighs the freedom of the right to strike itself.

How long will the country have to wait before the Prime Minister and the government decides that the public disservice outweighs the freedom of the right to strike?

Mr. Trudeau: That is a matter of judgment.

STRIKE OF INSIDE WORKERS—REASON FOR PAYMENT OF EMPLOYEES ON STRIKE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. Can the Prime Minister advise the House why, after threatening the union and the country with a long strike, the government has arranged to have workers paid for work they did not do, and will this practice continue?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to look into the question put by the hon. member.

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION IN VIEW OF FAILURE OF UNION TO CONSULT MEMBERS ON SETTLEMENT OFFER

Mr. John A. Fraser (Vancouver South): I did address that question to the right hon. Prime Minister, and now I will address another question to him. Last night the union's executive decided against putting the government offer to the membership, thus effectively precluding any way of accurately knowing whether the membership wants the strike to continue. Under such circumstances, is it still government policy to let the strike continue indefinitely?

Right Hon. P. E. Trudeau (Prime Minister): If the word "indefinitely" was used by the hon. member as it was used by his colleague a moment ago, I told the House it would be a matter of judgment when parliament will be asked to bring in legislation to have the postmen return to work.

Mr. Fraser: Is the right hon. Prime Minister advising the House that the government has not precluded from its options the possibility of back to work legislation?

Mr. Trudeau: That is obvious from what I said a few days ago.

[Mr. Clarke (Vancouver Quadra).]

FINANCE

POSSIBILITY OF MEASURES TO STIMULATE HOUSING STARTS AND LOWER PRICES

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact that 60 per cent of the increase in the consumer price index for October was attributable to housing, and in view of the fact that Mr. John Boyd, the president of the Canadian Real Estate Association, stated yesterday that the government's new anti-inflation program will sharply reduce sales activity in the housing industry and that the present give-away program under the guise of stimulating housing demands is totally impracticable, and if you want people to buy a house, lower the price, what steps will the Minister of Finance take to meet these two important problems of increasing the housing starts and lowering the price of homes?

Hon. Donald S. Macdonald (Minister of Finance): Actually, Mr. Speaker, I notice in the CPI statistics that the higher home ownership charges are largely attributable to an average rise of over 13 per cent in residential property taxes, one of the prime contributors to the increase in all items of CPI. I would remark to the hon. gentleman that these are some of the consequences of the very high settlements in the public sector which are coming home to roost with us in the higher taxes that the whole community has to pay. It really was for the purpose of restraining those kinds of settlements in the public sector, as well as others in the private sector, and increases in rents, prices and profits that we brought in the over-all control program.

POSSIBILITY OF MEASURES TO COMPEL FINANCIAL INSTITUTIONS TO DIRECT FUNDS INTO MORTGAGES

Mr. John Gilbert (Broadview): The Minister of State for Urban Affairs has said that he expects the financial institutions to co-operate with the government and to allocate an additional $750 million into the mortgage market in 1976. In view of the fact that this spring the same minister in committee gave assurances that he had persuaded the financial institutions to put an additional $1 billion into the mortgage market this year, and in view of the fact that according to the minister's officials only $300 million of this amount was achieved, does the Minister of Finance intend to introduce measures to compel the financial institutions to direct more funds into mortgages, or does the minister share the naive hopes of his colleague?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we think that effective persuasion can be brought to bear on the lending institutions, bearing in mind of course that we also seek from the same institutions support for provincial and municipal financing as well, and there has to be a balancing of financing activities in Canada.

HOUSING

GOVERNMENT ACTION TO ENSURE BUILDING OF RENTAL UNITS

Mr. John Gilbert (Broadview): Mr. Speaker, I have a supplementary for the Minister of State for Urban Affairs. In view of the statement in this morning's *Globe and Mail* by A. E. Diamond, chairman of Cadillac Fairview Corporation, in which he predicted very little new rental apartment construction will be undertaken as a result of Ontario's rent control legislation, and that less fortunate people will be the sufferers as a result of this legislation, will the minister assure us that he will increase the new capital budget of CMHC for 1976-77 and that CMHC will build rental apartment units, if necessary, to ensure that there will be a sufficient number of rental units to take care of this serious problem?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I do not completely agree with Mr. Diamond's statement, or at least the *Globe and Mail*'s interpretation of it. I met with builders and lenders last night, and have every assurance we are going to have the support we need in bringing on more rental accommodation. However, in addition to that, because much of the money will be coming from the private sector, we are allocating some half a billion dollars specially for increased rental accommodation, low income accommodation, non-profit and co-operative housing, senior citizens, native people and all Canadians who are socially deprived.

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AIRPORTS

MIRABEL—REQUEST FOR TABLING OF DATA ON WHICH SKY SHOPS AWARDED FRANCHISE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport. In view of the questions raised about the awarding of the concession at Mirabel to Sky Shops Export Limited, and in order that the people of Canada may be assured that they and their government have received the best possible return for this very valuable franchise, will the minister table in the House the calculations on which he says the interdepartmental committee awarded the franchise to Sky Shops?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will examine what material is available and determine whether that would be the best technique or whether at the committee on estimates we can thoroughly go into the matter. I will certainly look at what is available.

Mr. MacKay: I urge that the minister seriously consider this request, and if he does not table them, I think it will be taken that these calculations cannot stand up to scrutiny by any reasonable persons—

Some hon. Members: Order.

Mr. MacKay: —for reasons which would transcend any departmental meditation.

Mr. Speaker: Order, please. The hon. member for St. John's East.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTED MONITORING OF FOOD AND HOUSING PRICES BY BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is to the Minister of Finance. In view of the fact that the consumer price index today indicated that food as well as housing were the major factors in the upward increase of almost a full percentage point in the cost of living figures for October, and in view of the fact that the present legislation embodying the government's anti-inflation program contains no provisions for controlling either food prices or housing prices, I ask the minister what steps the government is taking in the interim, while the bill is before committee and subject to amendment, to have the Anti-Inflation Board monitor price movements in food and to establish whether these prices are in fact justified?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if I could correct the hon. gentleman, I draw his attention to Bill C-73 and point out that the construction industry is in fact subject to the provisions of the anti-inflation program. With regard to food prices, my understanding is that the board, and particularly the vice-chairman of the board, retains an active interest in and attention to these particular increases.

ANTI-INFLATION PROGRAM—GOVERNMENT POSITION ON IMPOSITION OF PRICE FREEZE

Mr. James A. McGrath (St. John's East): In order to gain the consensus of Canadian people on this program, which is so essential to its success, is the government considering imposing an immediate freeze, based on the experience of British Columbia, which would make the program at least appear to be just and equitable, not only to wage earners, but to everyone else?

Some hon. Members: Oh, oh!

● (1120)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, of course what is involved in food prices as in other things, and as has been indicated by the study of the Food Prices Review Board, which has been supported by the hon. member opposite, food prices increases have been the result of real costs coming through farm production in Canada and imports. In that sense, a freeze now would only postpone for several months for the consumers in Canada, additional costs they will have to meet. As I understand it, higher beef prices and pork prices contribute to this. The fact of the matter is that these commodities have in short supply, and while we have every hope this will be recovered in the months to come, there does exist the fact that prices are under pressure at the moment.

ANTI-INFLATION PROGRAM—SUGGESTED SUBSIDIES FOR ESSENTIAL FOOD ITEMS

Mr. James A. McGrath (St. John's East): A supplementary question. In view of the fact that some of the major increases in the area of food are within our power to control, for example, dairy products and bread, as well as beef, pork and milk, would the government consider restoring some of the consumer subsidies for some of these essential food items in view of the fact that the present program will not in any way control these prices?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would refer the hon. gentleman to the statements of many of his colleagues insisting that government expenditures be reduced. It seems to me there is a balance in this and that we could of course drastically reduce prices through a very substantial payment from the public treasury. The question is whether we should increase government expenditures for the purpose of doing so. We have decided they should not be increased beyond those at the present time.

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MANPOWER

ISSUANCE OF WORK PERMITS TO UNITED STATES RESIDENTS FOR CONSTRUCTION WORK IN SARNIA AREA—CONSULTATION WITH UNIONS CONCERNED

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of Manpower and Immigration and results from the decision by the Department of Manpower and Immigration to issue nearly 1,000 work permits to United States residents to fill construction jobs in the Sarnia area. Can the minister assure this House that all Canadian manpower centres and construction unions in Sarnia, London, Windsor, Hamilton and Toronto were notified by manpower officials of those job opportunities before the work permits in question were issued so that unemployed construction workers in Canada qualified to fill these vacancies were not overlooked?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the Sarnia project is a sizeable one. We do estimate a shortfall from Canadian sources between now and next spring of about 970 workers. The estimate is based on thorough consultation with the unions in Sarnia and with the industry. There is strong concurrence by all the parties to whom we have talked. There is a close and continuous liaison between manpower officials and union representatives at the national level regarding this and other such major construction projects to ensure that there is continuous dissemination of job vacancy information across the country. I am informed that the Sarnia locals of the principal unions concerned also send continuous and up-to-date information on job opportunities to their counterparts through their hiring hall system. All CMCs are continually seeking workers, through the national network with the skills concerned. In this particular case, we did concur after being advised by both union and management that temporarily there was no other solution. I want to check with a more direct contact with the Toronto and Hamilton unions as to just what more can be done.

[Mr. Macdonald (Rosedale).]

An hon. Member: Keep it for tonight.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—COMMITMENT OF PROVINCES TO PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a question for the Minister of Finance. It is now some three weeks since the Prime Minister outlined to the provincial premiers the government's so-called anti-inflation program and two weeks since the Minister of Finance met with provincial ministers of finance. Has the government yet received a specific response from each of the ten provinces on the very fundamental question which provinces are now committed to join the federal program or to adopt parallel guidelines to the federal program? I am referring specifically to those areas peculiarly within provincial jurisdiction.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we have received definitive responses from Ontario and Quebec. I think it is fair to say that other provinces have indicated their willingness to participate in the program in general. Several of them have reserved for further consideration some of the problems to be met. We hope to have from them at an early date the sort of firm confirmation we have had from Ontario and Quebec so that we may go ahead with the plan on this basis. Officials propose to meet on the 19th and 20th of this month for the purpose of discussing the program. I shall suggest a ministers' meeting after that. We hope that the provinces then can indicate to us definitively their willingness to participate, either with a proposal such as Quebec's, that is, with their own programs for the public sector, or by opting in to our program, as Ontario proposes.

ANTI-INFLATION PROGRAM—COMMITMENT OF QUEBEC TO FEDERAL GUIDELINES—POSSIBILITY OF VARIATION BETWEEN PROVINCES IN GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. As the minister indicated that he received a firm response from the province of Quebec, can he tell the House if Quebec has given the commitment that it will follow the federal guidelines, or is the province reserving its position to establish its own guidelines within jurisdiction it is reserving unto itself?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would want to examine the exact terms of the Quebec bill, which was introduced, I think, the day before yesterday. Generally, I understand that the Quebec system would follow the federal guidelines in this respect. They recognize and indicated at the federal-provincial conference that, so far as possible, disparities between the Quebec system and that of any other province should be kept to a minimum.

Mr. Stanfield: Mr. Speaker, I want to put a pointed question to the Minister of Finance, who said he received a commitment of some sort from Quebec. Is the minister asking this House and the country to support a system of controls which is to be uniform across the country, or is it to be one which may well vary from province to province, not only in Quebec but in other provinces as well?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman asked me a precise question, and I would want to make certain of the wording of the bill before giving a precise answer. If, indeed, he wanted the answer this morning, he might have given me notice of his intention to ask the question.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What an excuse.

Mr. Baldwin: You should not have been so glib with your first answer, then.

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POST OFFICE

STRIKE OF INSIDE WORKERS—SUGGESTION PRESIDENT OF TREASURY BOARD TAKE OVER NEGOTIATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the President of the Treasury Board. As the Postmaster General stated that he has in the offer he made to the postal workers exhausted his mandate from Treasury Board, which the union has now rejected, will the President of the Treasury Board agree to take over the negotiations, as the Treasury Board is legally responsible for collective bargaining with all federal public servants?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): No change is necessary, Mr. Speaker. We are quite satisfied with the Postmaster General's performance.

[*English*]

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON OFFERING FULL COST OF LIVING CLAUSE

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. As the government is confident that its anti-inflation program will slow inflation, will the minister consider, in order to facilitate a settlement and resumption of work by postal workers, offering to postal workers a full cost of living and productivity increase for the second year of their contract in order to revive negotiations?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we feel that offering postal workers the Moisan report was most generous. I feel also it is an extremely adequate offer which would warrant their return to work and provide them with highly satisfactory living conditions.

[*English*]

ADMINISTRATION OF JUSTICE

PROPOSED CONFERENCE WITH PROVINCES ON CRIME AND POLICING—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Solicitor General. As the Solicitor General indicated more than seven months ago in a committee of this House that the government was considering participating in a federal-provincial conference on crime and policing, can the minister tell the House if a date has been set for the conference?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. Preliminary discussions have been held with the provinces but, so far, there is no agreement to go ahead with such a conference. On the other hand, at a recent meeting with attorneys general and other provincial ministers we discussed other ways of combating organized crime.

● (1130)

Mr. Lawrence: Would the minister be good enough to tell us whether a formal meeting of that nature would be held before the introduction of the government's peace and security legislation package.

Mr. Allmand: As I mentioned, Mr. Speaker, we discussed some of the peace and security package with the provincial ministers at a recent meeting in Halifax. Next week the Minister of Justice and I will be meeting the great majority of attorneys general at four meetings across the country.

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[*Translation*]

HOUSING

RATE OF INTEREST ON LOAN TO LOWER MORTGAGE INTEREST RATE

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

Could he advise the House whether the five-year loan which is being granted as building incentive to make up the difference for rates 8 per cent and over and which will be added to the mortgage will carry the same rate as the initial mortgage, or whether the minister intends to impose a special rate for the reimbursement of this loan at the end of the five-year period?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker. As I am sure the hon. member knows, repayment begins at the end of the five-year period, starting with the sixth year. The rate of interest will be that rate which is applying at that time. I hope, as does the hon. member, that the rate will be much lower.

[*Translation*]

BILINGUALISM

REPORT OF TASK FORCE ON FRENCH MINORITIES OUTSIDE QUEBEC—POSSIBLE ACCEPTANCE OF RECOMMENDATIONS

Mr. Pierre De Bané (Matane): Mr. Speaker, I want to put a question to the Secretary of State.

Since he had agreed to finance the activity of the committee on French-speaking minorities outside Quebec, and since this committee has already made its report to the minister, could he tell the House when he will be in a position to say whether he is going to accept the recommendations of this committee?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I do not receive the report until 12:15 today. I would like to read it before indicating whether I will accept the recommendations.

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ADMINISTRATION OF JUSTICE

PEACE AND SECURITY LEGISLATION—NUMBER OF BILLS AND POSSIBILITY OF SEPARATE BILL FOR CAPITAL PUNISHMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I have a supplementary question for the Solicitor General. The Solicitor General has publicly announced that the government's peace and security legislation will probably be introduced by the end of this month. Can the minister now state whether this legislation will be in the form of one, two or three bills? More importantly, has there been a decision on whether capital punishment legislation will be a separate bill or included with other amendments?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I believe we said that we would announce the measures, hopefully before the end of this month. With regard to the second question, while there has been no final decision, I must repeat what I said the other day. I said that it is likely the capital punishment measures will be in a bill separate from other matters relating to gun control and other Criminal Code amendments.

REQUEST FOR INVESTIGATION OF LEASE EXTENSION TO SKY SHOPS AT DORVAL—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is to the Solicitor General. As the minister knows, the hon. member for Central Nova sent him some documents on Wednesday with regard to the Giguère matter involving Sky Shops, which the Solicitor General kindly acknowledged. Has the minister had an opportunity to study those documents? What action does he intend to take? In particular, can he tell us today of the conclusions he has reached as a result of the study and investigation with regard to those documents?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, after receiving the documents and looking at them, I referred them to the RCMP to get their opinion as to whether there should be further investigation of this. They are examining the documents and will report to me in due course.

Mr. Baker (Grenville-Carleton): In view of the importance of those documents with regard to the whole matter, will the minister undertake to the House that he will speak to the RCMP specifically to have that report as soon as possible? I ask this in view of the circumstances of this particular matter.

Mr. Allmand: Mr. Speaker, that is what I just said. The very day I received the documents from the hon. member, I referred them to the RCMP and asked for their opinion on them.

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AIRPORTS

ARCTIC BAY AND GRISE FIORD—REQUEST FOR DELAY OF ORDER TO CLOSE—POSSIBILITY OF CONTINGENCY PLAN

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the Minister of Transport. As in approximately one week's time the air force bases at Arctic Bay and Grise Fiord in the Northwest Territories will be closed by an order of the Ministry of Transport in Winnipeg, the order being basically that they will not allow planes to fly in at night, and as there will be total darkness in about one week at these points, which will have a devastating effect on these communities, can the minister assure the House that he will personally intervene to stop the closing of these airports, at least until a better plan can be worked out?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the plan with regard to the airports at Grise Fiord and Arctic Bay was very carefully related to the safety requirements of the area. In the case of Grise Fiord, the landing at night is hazardous because of the hills in the vicinity of the airport. I think that the safety measures quite properly limit that form of landing. Provision is being made for a lighted airstrip on the ice as soon as that is available for landing. The report I received yesterday is that the ice is now 18 inches thick and, therefore, capable of handling planes. The gap, therefore, between the stopping of night flying into the airport and the commencement of night flying on the ice should in fact be very short. It would, of course, be ideal if no delay existed. However, I hope that hon. member will agree that the application of safety measures to the landing of craft, certainly commercial craft, is important and ought not to be lessened.

Mr. Murta: Mr. Speaker, we all agree that the application of safety measures is important. However, in talking with people of Resolute Bay, they advise that the safety of the airstrips has never been in question. There has never been any accident in that area. According to the people of Resolute Bay, there will not be any commencement of flying until some time in the first part of January. If this is true, does the minister have a contingency plan to bring in supplies to the more than 500 people in those areas which will be virtually cut off until the planes can land on the ice?

Mr. Lang: Mr. Speaker, contingency plans were being looked at in the event that the ice formation was a lot slower this year than is normally the case. However, the report I received yesterday indicates that is unlikely to be true. Our information is that landing on the ice should be indeed possible by about the middle of November. I really think that hon. members ought not to say that conditions are safe when the expert analysis shows there are significant hazards. Already standards are pushed as close to the limit as possible. It is rather strange that if, as a result of permitting flying, accidents occurred, members would be up on their feet with great vigour protesting that we allowed flying under those circumstances.

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CONSUMER AFFAIRS

TRANSFER OF FOOD STOCKS FROM LOBLAWS TO ZIGGY'S—SUGGESTED INVESTIGATION OF JUSTIFICATION FOR PRICE INCREASE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. Yesterday I raised a question in the House in which I indicated that prices in supermarkets in the Sudbury basin were going up as much as 50 per cent. Now, we have a report that one of Canada's largest supermarket chains, Loblaws Limited, is engaging in the practice of changing the name of some of its stores in order to jack up prices. Will the minister consider having his department investigate whether, and under what circumstances, the food which was left in the Loblaw's Pickering Farms store at Yonge and Yorkville Streets, Toronto, which closed October 18, was transferred to Ziggy's, another subsidiary of Loblaws, and whether the 20 per cent mark up is justified?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, perhaps I can respond by saying I saw the same report as the hon. member. We reported this to the Anti-Inflation Board this morning with the request that they investigate it.

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● (1140)

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICATION OF PRICE AND PROFIT GUIDELINES TO ASSOCIATED COMPANIES

Mr. John Rodriguez (Nickel Belt): A supplementary to the Minister of Finance, Mr. Speaker. A Loblaws representative has been cited as saying that as other Loblaw stores became uneconomical they might be converted to Ziggy stores, with resultant higher prices. Under the government's anti-inflation legislation, for the purposes of wage guidelines associated companies are lumped together with respect to the 500 employees. Is this the case, also, with respect to the price part of the guidelines? In other words, do Loblaw's Pickering Farms, Ziggy and Loblaws all have different price-cost and profit structures and will they be considered as one company or as separate entities for the purpose of price guidelines?

Hon. Donald S. Macdonald (Minister of Finance): It would depend, as with all corporate entities, on the nature of the operation. With some we will be able to have a cost pass-through test and with others we will not. In the case of the distribution of business we shall be examining the gross profit margin and determining whether there have been unreasonable mark-ups and for that reason, therefore, whether orders should be made requiring them to roll back prices.

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ADMINISTRATION OF JUSTICE

PARTICIPATION IN MARSHALL CROWE REFERENCE TO FEDERAL COURT—CONTINUATION OF ENERGY BOARD HEARINGS BEFORE DECISION RENDERED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice whether he has now had a chance to look into the question I put to him last week in reference to the case to be heard before the federal court concerning some apprehension as to whether Marshall Crowe, the chairman of the National Energy Board, shows any sign of prejudice because of past involvement in other matters?

Hon. Ron Basford (Minister of Justice): I have now had a chance to review the matter with my officials and it is the intention of the Attorney General of Canada to participate in those hearings. My officials have been instructed to prepare submissions to be made on my behalf. But it would be premature to make a final decision as to the nature of the position to be taken until November 13, which is the date on which interested parties can move to put in further evidence on the matter.

Mr. Woolliams: It seems strange to me that the hearings are continuing to proceed. I am sure the Minister of Justice has had experience in court when there has been a challenge to a judge because of prejudice. Is the minister going to allow the hearings to continue while the position of the President of the National Energy Board is being challenged as to possible prejudice?

Mr. Basford: I do not think it is my role either to start or stop the hearings. My role is to try to assure that the Attorney General is represented in a federal court hearing in a proper way and that we intend to do.

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FOREIGN INVESTMENT

TAKEOVER OF WESTINGHOUSE BY GENERAL STEEL WARES—REQUEST FOR REPORT ON NEGOTIATIONS AND EXTENSION OF TIME LIMIT

Mr. Bill Kempling (Halton-Wentworth): A question for the Minister of Industry, Trade and Commerce, Mr. Speaker. Can the hon. gentleman advise the House as to the state of negotiations between the Foreign Investment Review Agency, Westinghouse Canada Limited and General Steel Wares Limited regarding the take-over bid of General

Steel Wares for the major appliance division of Westinghouse Canada and use of the Westinghouse name?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I have met personally during the last five days with all the major participants in this particular transaction, namely, White Incorporated, Westinghouse Canada and Westinghouse U.S. as well as with GSW. All these meetings were designed to bring about some sort of satisfactory settlement which would be protective of the jobs and the industry in Hamilton. I would ask the hon. member to appreciate that there is a certain degree of confidentiality attached to these matters and I think it would be detrimental if I were to breach it now. But I can say to him that meetings between the parties will be continuing, I believe on Tuesday of next week, and that in the meantime we remain ready to offer our good offices in any way we can. The parties are now talking among themselves, which was not the case a week ago.

Mr. Kempling: I thank the minister for that reply. I appreciate that the negotiations are confidential and I would not wish to prejudice the outcome. Can the minister advise us whether a further extension of the November 8 closing date has been negotiated with General Steel Wares and Westinghouse Canada if it would assist in bringing the matter to an acceptable conclusion.

Mr. Jamieson: I discussed this matter first thing this morning and my answer to the hon. member is this: since the parties have agreed to hold discussions next Tuesday I would regard it as being a natural assumption that there is a continuity of the arrangement.

* * *

INDIAN AFFAIRS

SETTLEMENT OF NATIVE LAND CLAIMS—PARTICIPATION OF BRITISH COLUMBIA

Mr. Hugh A. Anderson (Comox-Alberni): May I direct a question to the Minister of Indian Affairs and Northern Development, Mr. Speaker? Can the hon. gentleman, with his stated willingness to negotiate and extinguish native land claims in British Columbia, advise the House whether the government of British Columbia has belatedly realized that any settlement of land claims would require their participation, and, second, can he tell the House whether any concrete progress has been made in negotiations with British Columbia regarding the land settlement problem?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): The answer to the first part of the question is, no. The Province of British Columbia has not accepted the fact that it has a role to play. In answer to the second part of the question, I had a good meeting with provincial ministers last May but since then they have been indicating that there is just no movement on the thing and we are making no headway whatsoever.

[Mr. Kempling.]

PUBLIC SERVICE

REASON FOR DELAY IN APPOINTMENT OF DEPUTY MINISTER OF DEPARTMENT OF SECRETARY OF STATE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is addressed to the Prime Minister. When will a deputy minister be appointed to the Department of the Secretary of State and what are the considerations which have led the government to leave this position vacant for up to seven months?

Right Hon. P. E. Trudeau (Prime Minister): The answer to the second part of the question is that the acting deputy minister, the assistant deputy ministers, are doing a good job and they know they will be assisted soon by a permanent deputy minister.

* * *

FINANCE

REQUEST FOR ASSURANCE SOCIAL PROGRAMS NOT CUT UNTIL OTHER BUDGETARY CUTS MADE

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in answer to my question two days ago, the Minister of Finance said that prior to presenting a new budget there would be cuts in social programs to fight inflation. I now ask him whether he can assure the House that there will be no cuts in vital social programs until there have been budgetary cuts by eliminating waste, inefficiency and duplication in other programs—

Mr. Baldwin: And extravagance; don't forget extravagance.

Mr. Grafftey: —and cancelling such services as Information Canada, general information services of the government and consulting fees?

Hon. Donald S. Macdonald (Minister of Finance): The hon. gentleman will find if he looks back that I did not say social programs. I can assure him that the vital social programs which we have put forward, and which from time to time have been supported by hon. gentleman opposite, will be continued.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I shall certainly bear in mind the various programs the hon. gentleman would like to see cut out, though as to his suggestion we might cut out information services, I would remind him that hon. members on the other side have often told us that the government is not giving enough information. However, the hon. member seems to hold an opposite view.

Mr. Baldwin: We want the truth!

Mr. Grafftey: A supplementary question. I must say I read the minister's statement of two days ago and it was reported that social programs would be cut.

Some hon. Members: Question!

Mr. Grafftey: Since there is general agreement at this stage that low income people will be primarily hurt by the restraint program, will the hon. gentleman assure the House that these social programs will not be cut until there is elimination of waste along the lines I have suggested?

Mr. Speaker: That is exactly the question the hon. member has just asked and which was answered by the minister.

* * *

REGIONAL ECONOMIC EXPANSION

APPLICATION FOR GRANT FOR CROCUS FOODS—DATE OF APPROVAL—REQUEST FOR TABLING OF RELEVANT DOCUMENTS AND CONSULTATION WITH MEMBERS

Mr. Jake Epp (Provencher): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion. In view of the application Manitoba has made for the funding of approximately $2 million for a whey plant at Selkirk to be known as Crocus Foods, may I ask whether the minister has approved the application, or, if he has not, whether he will make public all the documents related to this project since the milk producers of Manitoba are not in favour of it.

● (1150)

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I must assure the hon. member that we did study this report lately. I think we will be in a position to announce our views on that particular subject in a few weeks.

[*English*]

Mr. Epp: Mr. Speaker, in view of the minister's answer that the file is presently being studied, will he give an undertaking or an assurance that he will also be consulting with various elected members of this House in respect of the program and the representations they have received from their constituents?

[*Translation*]

Mr. Lessard: Mr. Speaker, I can assure the hon. member there has been consultation and that we did indeed receive representations from several hon. members. When we have reached a decision and the hon. member has been advised of it, if he then feels that the decision is unfair, he can then keep on asking questions.

* * *

SOCIAL SECURITY

OLD AGE PENSIONS—REASON FOR REDUCTION IN PENSION OF SPOUSE RECEIVING WELFARE

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I should like to put a question to the right hon. Prime Minister in view of the absence of the Minister of National Health and Welfare.

As the people of 65 and over have just had their pensions increased because of the cost of living indexation, as a result of which their spouses who are on welfare see their old age security benefits decreased, would the Prime Minister tell the House whether the government is willing to discuss that situation with the authorities of the province of Quebec with a view to righting that injustice?

[*English*]

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, we have always been prepared to discuss any such matters with counterparts in the province of Quebec.

* * *

EXTERNAL AFFAIRS

FAILURE OF FRANCE TO INVITE CANADA TO ECONOMIC SUMMIT MEETING—ALLEGED RELIANCE ON OTHER COUNTRIES TO PRESENT CANADA'S CASE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have now had an opportunity to examine closely the replies given by the Secretary of State for External Affairs yesterday to questions raised by the right hon. member for Prince Albert, from which it is clear that our ambassador in Paris, the former Minister of Communications, has so far failed to communicate, not on bended knee, as he suggested, but with head erect, stating Canada's case, as our right to attend such a conference. Therefore, my questions are these. Is it now Canada's policy to rely on intermediaries such as the United States, Germany, Britain and Japan, as he mentions here, to state our case, or are we prepared to make our own? Does he not construe from this recent turn of events that this is evidence that the success being claimed by this government in its efforts to improve relations between France and Canada is really pretty much of a failure?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I want to clear up one point. It was not I who suggested the bended knee, it was the right hon. gentleman from Prince Albert who introduced that colourful expression to the discussion. We are not relying on others to make the case for us, although we appreciate their assistance. In respect of the representations that have been made by other countries, there is obviously involved a question as to whether the host country has the right to decide the membership of the meeting, quite apart from the wishes of those others who may attend.

Mr. Baldwin: Like with the PLO.

Mr. MacEachen: I suggest there is quite an important issue involved for countries like the United States and the United Kingdom in that point, in addition to the desirability of Canadian representation at the summit conference. We have already made our wishes clear to the French government through our representative in Paris. We believe we are entitled to be present at that summit on our own particular merits and not because other countries want us there. We believe we have a contribution to make.

Mr. Munro (Esquimalt-Saanich): Now the second question.

Mr. MacEachen: We believe that Canada's economic position justifies our presence at that summit.

Mr. Munro (Esquimalt-Saanich): What about the second question?

* * *

[*Translation*]

SUPPLY AND SERVICES

ARRANGEMENT FOR DISTRIBUTION OF CHEQUES IN VIEW OF CONTINUING POSTAL STRIKE

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I have a question for the Minister of Supply and Services.

Has the government provided for an emergency plan to distribute socio-economic cheques if the postal strike continues?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, for two weeks now my department has made the necessary arrangements to forward the inside mail of the government, and the essential mail all over the country. The plan works satisfactorily.

As for payments to our suppliers, more particularly those who operate a small business, cheques are also distributed satisfactorily.

To answer the question about socio-economic payments, I must say that a plan does exist, but it is not yet in operation.

Concerning more especially the old age security and family allowances, we expect to be able to do the distribution across the country, but as we may not locate all claimants and because the distribution of those cheques does have humane connotations, I intend to invite all hon. members to an information meeting, on a regional basis, in order to make our intentions known, improve our plan and ask for their co-operation.

* * *

[*English*]

AIR TRANSPORT

CRASH OF PANARCTIC AIRCRAFT—GOVERNMENT POSITION ON PUBLIC INQUIRY

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, is the Minister of Justice prepared to announce today the decision on the long delayed and long awaited independent inquiry into the Panarctic air crash?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, as I said the other day, I have had an opportunity of considering the accident investigation report and the recommendation of the coroner's jury which heard this matter. After consultation with my colleagues, and bearing in mind the importance of aviation in the north, the strong recommendations of the coroner's jury and my responsibility for the administration of justice in the Northwest Territories, I have decided to order a public inquiry under the Inquiries Act into the circumstances surrounding the crash of the Panarctic Oils Limited aircraft at Rae Point, Northwest Territories on October 30. I am presently engaged in working on the terms of reference and the appointment of a commissioner, and this will be announced later.

* * *

CANADIAN PACIFIC RAILWAY

REQUEST FOR ACTION ON BRIDGE PROMISED FOR GLENWOOD-HILL SPRING AREA

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I should like to direct my question to the Minister of Transport. In light of the fact that the CPR informed me over four months ago that a bridge would be provided in the Glenwood-Hill Spring area in order to facilitate the movement of grain, and in light of the fact that this has not even been started, will the minister assure the House that every effort will be made to have this situation corrected immediately?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think there may be a requirement and a role for the Canadian Transport Commission in relation to the bridge on this particular line, but I will look into the matter.

* * *

ADMINISTRATION OF JUSTICE

REQUEST FOR LIST OF HABITUAL CRIMINALS OR SEX OFFENDERS ON TEMPORARY ABSENCE PASSES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Solicitor General but he seems to have disappeared.

An hon. Member: Carry on.

Mr. Reynolds: In view of the fact that we have had a number of people out on parole who have committed crimes in the past year, would the minister be willing to table in this House a list of all the people who have been out on temporary absence passes in the past 12 months who have been classified as habitual criminals or dangerous sexual offenders?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am a bit confused by the question. At first the hon. member asked me about people on parole, and then he asked about dangerous sexual offenders. I can provide him with certain lists and certain information, but I should like to be clear as to what he wants.

Mr. Reynolds: Mr. Speaker, the list I want is a list of all those who have been on temporary absence or parole in the past 12 months who are classified as dangerous sexual offenders or habitual criminals.

Mr. Speaker: Order, please. Even if the question were—

Mr. Allmand: Mr. Speaker, dangerous sexual offenders are not allowed out on temporary absence passes, and they

are only paroled after very serious consideration by the Parole Board.

* * *

● (1200)

PUBLIC SERVICE

REQUEST FOR REPORT ON MEETING OF PUBLIC SERVICE COMMISSION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Prime Minister. I am sorry to interrupt his discussion with the hon. member. Following the high level meetings of the Public Service Commission held on Monday and Tuesday at Montebello would the hon. gentleman share with this House the interesting and important decisions taken at that conference and conveyed by correspondence to the Prime Minister by Mr. J. J. Carson of the Public Service Commission.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will discuss this with the minister through whom the Public Service Commission is responsible to the House. I have not followed this conference nor have I seen the correspondence to which the hon. member alludes. I thank him for apologizing when I was speaking to a lady.

Mr. O'Sullivan: Mr. Speaker, in sharing the right hon. gentleman's esteem for the hon. lady may I pose this question to the minister—

An hon. Member: Simmer down, Simma.

An hon. Member: Watch your heart. You will have a stroke.

Mr. O'Sullivan: I have always admired calm and control. Might I ask the minister responsible for the Public Service Commission if he has discussed with Mr. Carson the decisions taken at this conference and will he now advise the House just what happened at Montebello on Monday and Tuesday.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): The Public Service Commission reports to the House of Commons through the Secretary of State who is absent from the House at this moment.

[*English*]

Mrs. Holt: I hardly expected, Mr. Speaker, to be in this House and to see the young gentleman, the handsome man in the grey suit, join the ranks of the front row of Neanderthals. I regret that fact. I am here, gentlemen, as a member of parliament and not as a lady of any description.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. O'Sullivan: Mr. Speaker—

Mr. Speaker: Order, please. I do not think the matter should proceed any further. The hon. member for Vancouver-Kingsway (Mrs. Holt) in fact raises a very valid point of order, that is, it has been a long-standing policy of this House that all members be referred to by their constituency—all members equally—and this is a policy that should not be forgotten.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Presentation of seventh and eighth reports—Mr. Loiselle (Saint-Henri).

With the consent of the House, I intend to move their adoption later today.

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

* * *

[*English*]

REMEMBRANCE DAY

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, next Tuesday, in cities, towns and villages across Canada, our citizens will stand in hushed silence while a senior veteran utters the words: "They shall not grow old". For more than half a century Canadians have paused at the eleventh hour on November 11 to pay tribute to the Canadian men and women who laid down their lives in the service of our country. This is a very special day dedicated to those who died, not just for us but for all those who will follow us.

I feel it is a hallowed day. It is a day when the guns boom in slow and solemn cadence. It is a day when the muffled drums beat their muted rhythm. In the background we hear the sorrowful strains of the piper's lament. The skies are usually cold and grey, befitting the melancholy spirit of the day. Old veterans and young people lay wreaths and are momentarily united in a mutual tribute of sorrow for all those young Canadians who lie in warriors' graves so far from home. Sometimes, in the silence, a small child cries or a dog barks. The sounds are sad, but somehow in keeping with the mood.

Next Tuesday is November 11. It is Remembrance Day in Ottawa and across Canada. It will be marked as the day that honours and mourns the valiant dead who paid for our freedom. The greying veteran will end his recitation of the act of remembrance with the words: "We will remember them".

Mr. Speaker, may I close my remarks to hon. members of this House with the words of Kipling: "Lord God of Hosts, be with us yet—lest we forget, lest we forget".

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I should just like to say that we join in the very moving tribute the minister has paid to our fallen in two world wars. We agree with everything the minister has said, because while Remembrance Day is a time for remem-

bering, it is also a time for veterans who survived those two world wars, the members of the Royal Canadian Legion, the Navy, Army and Air Force Association, and all veterans organizations, to promote the idea among our young people and all Canadians that today is the time to act. While we remember the past, we must act today so that we may have a peaceful and rewarding future, because so many forces within our society are gnawing at and tearing down the things we cherish most. While we are remembering is the time to act in other to save our future.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, on behalf of the New Democratic Party, may I say we agree entirely with the sentiments expressed by the Minister of Veterans Affairs (Mr. MacDonald). The minister himself is a reminder of the commitment made by those who served this country in time of war.

Some hon. Members: Hear, hear!

Mr. Peters: We agree with him that we should ever remember the reason the commitment was made, and those who fell in the wars. This is a time when I believe Canadians want to remember the wars—there have been many, and there may be others—but they should also remember the reasons for that service and the contribution made by those who were so young, many of whom did not return. We in the House have an obligation to the families of fallen veterans and to those veterans who still remain. May we contribute by remembering them and their families at this time.

● (1210)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, in order to commemorate Remembrance Day like other parties in the House, I wish, on behalf of my party, to pay homage to those who have fallen in the last wars. Today we are commemorating the memory of those who were killed in action. I think that all of us here in the House have a very special reason to do so, as I do not believe that there is a single hon. member who has not lost a relative or a friend on the battlefield. As for me, one of my brothers was killed in Germany. Upon hearing the minister say: "Lest We Forget", I felt that we should pledge ourselves to keep their memory alive, to try to uphold the cause of those who have fallen, namely the cause of peace. In my view, this would be the finest token of gratitude towards our late friends, brothers and relatives who have died so that we may live. Thus, something vital would be done to ensure peace for our country. Fortunately, we have been protected and have not known war in our country, but I think we must be watchful if we wish to preserve the peace which we have experienced. I think that we must now increase our vigilance. It is therefore an honour for me to join the previous speakers in pointing out the importance of November 11 in memory of our servicemen killed in action.

[Mr. Knowles (Norfolk-Haldimand).]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Concurrence in seventh and eighth reports of Standing Committee—Mr. Loiselle (Saint-Henri).

[*English*]

The Clerk Assistant (Legal) read the reports.

Mr. Speaker: The reports referred to in the motion of the hon. member were tabled a moment ago. Such a motion can only be made at this time with the unanimous consent of the House. Is there unanimous consent that the hon. member shall have leave to propose the motion?

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, I am agreeable to the motion being accepted, but in the case of IAC I see absolutely no reason why there should be a return of the penalty which is being imposed. This has always been done in cases where individual hardship has been involved, but in my opinion IAC does not fit into that category. I am therefore opposed and would be prepared to debate the question of the return of the money.

Mr. Loiselle (Saint-Henri): Mr. Speaker, let me make a clarification. We have imposed the penalty as usual. The hon. member said that we would prevent the company paying the penalty. The situation is otherwise; the penalty has been imposed in order that they be amalgamated.

Mr. Peters: May I ask the hon. member a question? I understood the Clerk of the House to read that section 91(3) had been applied and that the petition and the acceptance in the other documents, including the provision under section 91(3), had been returned.

Mr. Speaker: I would like the House to be on the right track so far as our procedures are concerned. We are now on motions and a motion has been presented. It can be adopted now only with the unanimous consent of the House. If there is to be a debate, it will have to be deferred. In any case, the question of the hon. member, which may be a valid one, may be answered after careful examination of the report, in which evidently it is stated that no return of the penalty has been made. Is this understood and agreed?

Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 551, 2,705, 3,063, 3,104, 3,164, 3,249, 3,296, 3,323, 3,324, 3,325, 3,326, 3,355, 3,356, 3,358, 3,359, 3,458, 4,359, 3,460, 3,461, and 3,462.

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

[*Text*]

OLYMPIC COIN PROGRAMME

Question No. 551—Mr. Jelinek:

1. What are the full addresses of Estray and Solar Enterprises, numbered sixth and seventh respectively, in the Postmaster General's First Progress Report to Parliament on the Olympic Coin Programme?

2. How many coins have been sold thus far to (a) Charlton Numismatics Limited (b) Silver Dollars Reg'd (c) Fred Samuels Limited (d) Unique Art Inc. (e) Canadian Armed Forces Exchange System (CANEX) (f) Estray (g) Solar Enterprises (h) Western Coin Distributors (i) Wenger's Limited (j) Bissell and Bissell Enterprises Inc. (k) J.M. Canada Coin & Stamp Co. Limited (l) Trudel, Robillard, Desrosiers Inc.?

3. What is the numerical breakdown of the coins into the various categories in which these coins are sold?

4. What was the price charged to these dealers for each and every one of the categories indicating both the unit price and the total charge?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. Estray Limited, P.O. Box 82, LaSalle, P.Q., H8R 3T7; Solar Enterprises, 1707—1420 Crescent Street, Montreal, P.Q., H3C 2B7.

2 and 3. Exact sales figures by each distributor is considered to be confidential commercial information which for competitive reasons cannot be made public. However, it can be stated that 25 per cent of the Sales shown hereunder were made by the distributors mentioned in question No. 2; the rest were made by Chartered Banks, Credit Unions, Caisses Populaires and Trust Companies.

Sales
as at March 31, 1975
(Canada)

Series I	Coins	Thousands of $
Unencapsulated Coin	1,066,565	8,111
Encapsulated Coin	1,434,331	11,863
Standard Cased Coin	324,133	3,078
Custom Cased Coin–75,761 sets x 4	303,044	2,784
Prestige Cased Coin–51,039 sets x 4	204,156	2,030
Proof Quality Coin–37,974 sets x 4	151,896	2,708
Total	3,484,125	30,574
Face Value $26,037,360		
Series II		
Unencapsulated Coin	44,132	456
Encapsulated Coin	1,138,213	12,006
Standard Cased Coin	166,358	1,960
Custom Cased Coin–68,414 sets x 4	273,656	3,225
Prestige Cased Coin–43,600 sets x 4	174,400	2,151
Proof Quality Coin–22,195 sets x 4	88,780	1,794
Total	1,885,539	21,592
Face Value $14,090,135		
Series III*		
Unencapsulated Coin	24,132	253
Encapsulated Coin	358,738	3,779
Standard Cased Coin	33,670	396
Custom Cased Coin–18,255 sets x 4	73,020	857
Prestige Cased Coin–11,418 sets x 4	45,672	559
Proof Quality Coin–22 sets x 4	88	2
Total	535,320	5,846
Face Value $4,006,900		

4. All authorized distributors, including those listed in part 2 of this question, pay the same F.O.B. Ottawa prices listed below. Those distributors who incorporate Olympic coins into premium priced products, such as jewellery, must add to these prices an additional sum as royalties.

Price List
(F.O.B. Ottawa)

Product description	Series I	Series II	Series III
Unencapsulated coin			
$ 5 coin	$ 5.50	$ 7.00	$ 7.00
$10 coin	11.00	14.00	14.00
Complete set (4 coins)	33.00	42.00	42.00
Encapsulated coin			
$ 5 coin	5.50	7.00	7.00
$10 coin	11.00	14.00	14.00
Complete set (4 coins)	33.00	42.00	42.00
Single-Coin Standard Case			
$ 5 coin	6.70	8.20	8.20
$10 coin	12.20	15.20	15.20
Complete set (4 coins)	37.80	46.80	46.80
Custom Case			
Complete set (4 coins)	35.00	46.00	46.00
Prestige Case			
Complete set (4 coins)	38.00	48.00	48.00
Proof Quality Coin			
Deluxe Case (4 coins)	70.00	70.00	70.00

NOTES: * Series III launch, planned for January 16, 1975, was postponed until April 16, because of the lengthy strike at the Royal Canadian Mint.

OLYMPIC COIN PROGRAMME

Question No. 2,705—Mr. Stevens:

1. Broken down into amounts of $10,000 or more, to whom on a cumulative basis was the $1,128,000 paid for professional services as reflected in Exhibit 5 in the March 31, 1975 report on the Olympic Coin Programme?

2. In each case (a) what was the name of the recipient (b) their address (c) what was the type of professional service involved?

3. Where recipients are corporations, who are the principal shareholders and officers of each corporation?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Parts 1, 2 and 3. Contracted employee working in Canada—A. J. Warwick, Montreal, P.Q., Administrative Services, $38,802.91; Contracted employees working in New York—L. Chapman, Folcroft Pa., Marketing Services, $17,753.50; M. Richards, New York, Marketing Services, $11,679.79; J. Schiller, New York, Marketing Services, $21,985.95; Contracted employees working in Brussels—A. Morin, Montreal, Marketing Services, $52,664.76; F.

G. Bonnart, Middlesex, England, Marketing Services, $14,583.31; M. J. Maerten, Ypres, Belgium, Marketing Services, $12,499.98; Contracted employees working in Tokyo—H. W. Hoppener, Toronto, Marketing Services, $61,822.03; K. Moriguchi, Tokyo, Marketing Services, $18,581.92; Y. Ito, Tokyo, Marketing Services, $38,802.91; sub-total: $289,177.06. Other Professional Services—Rourke Bourbonnais and Associates, Montreal, P.Q., Consulting services in the area of organization planning, $25,181.46; Groupe de Gestion P.M. Inc., Montreal, P.Q., Management Services, $102,800.54; Informetrica Ltd., Ottawa, Ont., Development and monitoring of a management information system on production, inventory, sales and shipments, $59,653.43; Stewart and Morrison Ltd., Toronto, Ont., Coin and Case designers, $23,197.00; Dr. Edgar Schubert, Agent of Public Relations, Frankfurt, Germany, $11,401.83; Intertask Limited, Ottawa, Ontario, Project Management and Logistic Support, $72,535.32; Harshe-Rotman & Druck Inc., New York, N.Y., Counsel on public relations in U.S.A., $128,255.30; Via le monde Inc., Montreal, P.Q., Production of audio/visual tape capsules of Olympic Games for domestic and international marketing, $88,819.00; Programmed Communications Ltd., Montreal, P.Q., Audio/visual or slide program, $18,806.64; Ronald-Reynolds & Co. Ltd., Montreal, P.Q., Design consulting services, $25,000.00; Torreson-Rose Marketing Co. Ltd., Montreal, P.Q., Public Relations Services, $26,175.52; Scott-Atkinson, Vicari, Only International Limited, Public Relations Counsel and Services, $18,334.96; Berger, Tisdall, Clark & Lesly Ltd., Montreal, P.Q., Public Relations Counsel and Services, $10,341.82; Trans-Ocean, Brussels, Travel Agency, $16,845.15; Paul Winner Marketing Communications Ltd., London, England, Public Relations Consultants for Europe, $19,559.35; Admiral Travel Service, Ottawa, Ontario, Travel Agency, $12,068.50; Air Canada, Winnipeg, Manitoba, Travel Agency, $24,484.67; Inter-Image Company, Tokyo, Japan, Public Relations for Pacific and Phillipines, $76,509.32; Michael W. Moynihan, New York, N.Y., Public Affairs Consultants for U.S.A & Mexico, $10,006.68; Herbert A. Watts Contests Ltd., Toronto, Ontario, Coin Design Competition, $16,618.47; Miscellaneous—$52,227.98. Total: $1,128,000. A number of the Professional Services received were from Corporations as the list of names indicates. We do not have a list of the principal shareholders and officers of these corporations.

OLYMPIC GOLD COINS

Question No. 3,063—**Mr. Jelinek:**

1. How many Olympic gold coins will be minted with (a) ½ ounce of gold (b) ¼ ounce of gold?

2. What is the proposed date for the coins to be available to the public?

3. What is to be the duration of this programme?

4. What will be the surcharge on each coin?

5. Who will be the official gold coin distributors in (a) Canada (b) United States (c) Europe?

6. What will be the seignorage from both coins?

7. What portion of the seignorage will be available to COJO?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. The number of gold coins to be issued will not exceed 1 million in total. The ratio between ½ oz. and ¼ oz. has not yet been decided. It is understood that the face value of the silver and gold coins is not to exceed $450 million face value. It is also understood in accordance with the original Olympic Coin (1976) Act that the profit will not exceed $250 million.

2. The coins will probably be available to the public on an order basis by April or May 1976.

3. As per the Coin Act the duration of the program will not go beyond December 31, 1976. This however does not preclude orders being placed in 1976 and fulfillment possibly taking place in 1977. It is not our objective to become involved with this particular timing situation.

4. Pricing of the gold coin is probably $10 over face value of the uncirculating 14K coin and possibly $50 on the proof 22K coin.

5. With respect to naming official distributors it is not possible to do so at this particular time. We will probably use the existing network of distributors, but again this has not been finalized as yet.

6. Seignorage for the coins can only be determined on the basis of the price of gold on the days designated for the costing of the gold. This refers to the last five days in the month of February 1976. When the cost of gold and other factors are determined we would be in a better position to advise of the seignorage.

7. The portion of the seignorage to be made available to COJO would be the total sales value less marketing and manufacturing costs as is the case with the silver coin program.

POST OFFICE DEPARTMENT—GROSS REVENUE DERIVED FROM SECOND-CLASS MAIL

Question No. 3,104—**Mr. Clark (Rocky Mountain):**

In each of the past three fiscal years, what was the gross revenue derived by the Post Office Department from second-class mail?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): In thousands of dollars, 1972-73, $14,899; 1973-74, $15,007; 1974-75, $14,968.

SUPPLY AND SERVICES—CONTRACT FOR TOBOGGANS

Question No. 3,164—**Mr. Reynolds:**

With reference to a contract awarded January 16, 1975 to Magline of Canada Limited, Renfrew, Ontario, for the supply of toboggans at a cost of $215.54 delivered to Lancaster Park, Alberta and $211.65 delivered to Montreal, Quebec, how many were shipped to each location and what was their size and specifications?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned, a quantity of 1,204 toboggans was to be delivered to Lancaster Park, Alberta of which 356 have been shipped, and 1,500 to Montreal, Québec of which 304 have been shipped. Regular shipments are continuing. The toboggan is 80 inches long and 22 inches wide and is manufactured in accordance with Department of National Defence Specification CDA/DID/Unit 5-1-2.

SUPPLY AND SERVICES—SECURITY DEPOSITS

Question No. 3,249—**Mr. Reynolds:**

1. In the past five years, how many companies have refused to tender with the Department of Supply and Services because they were required to deposit securities by way of certified cheque?

2. Would the Minister indicate the necessity of security deposits realizing that at times firms have been reluctant to tender because of lengthy holdbacks on the return of security capital?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. As was indicated in the reply to question 1,996, security deposits are seldom required. Therefore, the Department does not record the number of companies who have refused to tender because they were required to deposit securities by way of certified cheque.

2. Pursuant to Part VI, Section 39 of the Government Contracts Regulations, security deposits are required only when it is considered essential as a means of ensuring that a bidder will accept a contract if he is the successful tenderer.

RAIL COMMUTER SERVICE

Question No. 3,296—**Mr. Forrestall:**

1. What progress is being made towards establishing a rail commuter service between Windsor Junction and outlying areas and the metropolitan community of Dartmouth and Halifax?

2. On what date will a final decision be known?

Hon. Otto E. Lang (Minister of Transport): 1 and 2. On July 30, 1975 the government announced a Capital Assistance Program to Commuter Services. Under this program the government of the province and the municipalities concerned after agreeing to an urban development strategy would apply for assistance to implement a commuter service in support of such a strategy. Since the initiative for proposing a commuter service between Windsor Junction and outlying areas and the metropolitan community of Dartmouth and Halifax rests with the province no decision will be made until an appropriate application is received and approved.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,323—**Mr. Cossitt:**

Is the Department of Public Works aware that W.N. Construction Ltd. of 36 Bentley Avenue tendered on the construction of the swimming pool at the Prime Minister's official residence at 24 Sussex Drive and, if so, what was the amount of the tender?

Hon. Mitchell Sharp (President of the Privy Council): As mentioned in answer to question No. 1,233, the service of the contractor for the construction of the swimming pool was engaged by the trustee for the donors. Since the costs have been assumed by private donors, information about firms that may have been approached and tenders that may have been submitted, are not of government record.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,324—**Mr. Cossitt:**

Is the Department of Public Works aware that F.E. Cummings Construction Co. Ltd. of 1534 Laperriere Avenue, Ottawa, Ontario tendered on the construction of the swimming pool at the Prime Minister's official residence at 24 Sussex Drive and, if so, what was the amount of the tender?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 3,323.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,325—**Mr. Cossitt:**

Is the Department of Public Works aware that Ottawa R. & R. Construction Ltd. of 335 Lebreton Street South, Ottawa, Ontario tendered on the construction of the swimming pool at the Prime Minister's official residence at 24 Sussex Drive and, if so, what was the amount of the tender?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 3,323.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,326—**Mr. Cossitt:**

What is the annual estimated cost from public funds of maintaining all aspects of the swimming pool at the Prime Minister's official residence at 24 Sussex Drive?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 3,323.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,355—**Mr. Cossitt:**

With reference to the answer to Question No. 1,233 concerning the swimming pool at the Prime Minister's offical residence, 24 Sussex Drive, which stated in part "The group of donors was concerned that the Prime Minister and his successors have ready access to adequate physical fitness facilities . . ." (a) specifically to whom did they express such concern (b) on what dates (c) who expressed it?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171(c), (d) and (r).

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,356—**Mr. Cossitt:**

With reference to the answer to Question No. 1,233 which says in part ". . . the Prime Minister agreed to accept from a representative group of Canadians a gift of a swimming pool for the official residence at 24 Sussex Drive", what are all the facts that enabled him to designate the donors "a representative group of Canadians"?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 3,355.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,358—**Mr. Cossitt:**

Has the Prime Minister met personally or otherwise had discussions in any way whatsoever with Dr. W. H. Fader, 395 Brooks Street, Toronto, Trustee representing the donors to the swimming pool at the Prime Minister's official residence, 24 Sussex Drive on the subject of the swimming pool and, if so (a) on what dates (b) in what locations (c) what points were specifically dealt with?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 3,355.

Order Paper Questions

GOVERNMENT DEALINGS WITH WILLIAM TERON ASSOCIATES

Question No. 3,359—**Mr. Cossitt:**

Since April 20, 1968, what are the details of any government business dealings with William Teron Associates, William Teron Limited, Mr. Teron personally or any other company with which he had any connection in an official capacity and, what amount of public funds are involved in any case that may exist?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 3,355.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,458—**Mr. Cossitt:**

With reference to the answer to Question No. 1,233 which stated that the swimming pool at the Prime Minister's official residence, 24 Sussex Drive, was designed by an architect of the Department of Public Works, is the Department of Public Works, the National Capital Commission or Central Mortgage and Housing Corporation aware of the names of the sub-contractors involved with the project and, if so, what are their names and the type of work performed in each case?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171(c), (d) and (r).

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,459—**Mr. Cossitt:**

1. With reference to the answer to Question No. 2,691 which stated in part "The question of construction of the pool at public expense was raised, but it was considered preferable to accept the offer of anonymous donors", what are all the reasons that this was considered "preferable"?

2. Was the government at any time concerned about possible improprieties or conflict of interest factors existing as a result of donor anonymity and (a) if not, for what reason (b) if so, what steps were taken to look into this possibility?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question No. 3,458.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,460—**Mr. Cossitt:**

1. What is the identity of the person or persons who selected Dr. W. H. Fader, 395 Brooks Street, Toronto, as Trustee for the donors for the swimming pool at the Prime Minister's official residence, 24 Sussex Drive.

2. On behalf of the government, was the Prime Minister, a Senator or William Teron, President of Central Mortgage and Housing Corporation involved in this aspect of the matter and, if so, on what date and in what way?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question No. 3,458.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,461—**Mr. Cossitt:**

What is the total number of private individuals who have donated anonymously to the construction of the swimming pool at the Prime Minister's official residence, 24 Sussex Drive (a) as of January 1, 1975 (b) as of June 1, 1975 (c) from June 1, 1975 to date?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question No. 3,458.

[Mr. Sharp.]

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,462—**Mr. Cossitt:**

To the knowledge of the government, were any donors to the swimming pool at the Prime Minister's residence, 24 Sussex Drive companies, corporations, organizations or groups of any kind whatsoever and, if so, what is the number involved?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question No. 3,458.

GOVERNMENT ORDERS

● (1220)

[*English*]

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND VARIOUS STATUTES TO PROVIDE FOR CHANGES IN PENSION CONTRIBUTIONS, BENEFITS, ETC.

The House resumed, from Thursday, November 6, consideration of the motion of Mr. Drury (for Mr. Chrétien) that Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Sharp: Mr. Speaker, I rise on a point of order. Yesterday, the hon. member for Winnipeg North Centre (Mr. Knowles) reminded the House that I had said in the House, and I had also reached agreement with the House leaders, that if possible, and with the agreement of the House, Bill C-52 would not be referred to the Standing Committee on Miscellaneous Estimates but to the Special Joint Committee on Employer-Employee Relations in the Public Service. I should like now to ask unanimous consent for that alteration to be made to the reference.

Mr. Speaker: The House has heard the suggestion put forward by the President of the Privy Council (Mr. Sharp). Is it agreed?

Mr. Lambert (Edmonton West): Mr. Speaker, yesterday I raised a query as to whether the terms of reference setting up the initial special committee with regard to employer-employee relations would be sufficiently wide for that committee to receive Bill C-52. I was assured that the matter would be examined and if the House leaders were satisfied that all was in order, I was perfectly satisfied. However, I want to be satisfied that such reference is proper, because it seems to me that when a special committee is set up, it is for a particular purpose, unless that purpose can be broadened. I would like to see it broadened because I think it is the right committee. Let us make sure we have the proper motions in position and that procedural difficulties are cleared up.

Mr. Baldwin: Mr. Speaker, the hon. member for Edmonton West (Mr. Lambert), with his great care for seeing that things are done legally and properly—which is very essential in this House with this government—has raised a very valid point. However, so there can be no error, I suggest that the terms of the motion might be extended so that the committee will in any event be considered to be given by this House the authority to receive this particular bill and to consider it. Then there can be no doubt that there will be authority.

I think the hon. member has in mind that the committee might be *functus officio*. If that were the case, he would be right. We could rectify that if the President of the Privy Council (Mr. Sharp) provided in his motion that for the purpose of reference of this particular bill it would be assumed that the committee would receive such authority as might be required to consider the bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it seems to me that the hon. member for Peace River (Mr. Baldwin) has, in effect, just said what I had in mind. Is it not a fact that to refer a bill to a committee is in itself to give that committee a term of reference? For example, there is nothing in the set-up of the Standing Committee on Miscellaneous Estimates which says that it will receive a bill on superannuation.

Mr. Lambert (Edmonton West): It is a standing committee.

Mr. Knowles (Winnipeg North Centre): It is a standing committee to deal with such things as are referred to it. When we refer a bill to a committee, that itself is a term of reference. If the committee did not exist, a problem would face us. But the committee does exist. It seems to me that if the House, particularly by unanimous consent, agrees to this we are in effect giving that committee this bill as a term of reference.

Mr. Speaker: Order, please. The House is obviously of a mind to amend the motion directing this bill to the committee. I could take the concern about the term of reference under review, but my initial reaction is to conclude that the passage of the motion, as amended, with the direction that the bill be sent to an existing committee, does in fact constitute a term of reference by this House that the committee study the bill. However, if I were to conclude differently before a vote is taken on this motion, I would certainly return to the House to say so. In the absence of that, I propose now to ask whether it is the pleasure of the House to adopt the change in the motion of reference, so that the motion will read that the bill be read the second time and referred to the Special Joint Committee on Employer-Employee Relations in the Public Service. Is that agreed?

Some hon. Members: Agreed.

Mr. Baldwin: Ipso facto.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, during the first part of my speech on this bill, which I gave last evening between 9.30 and ten o'clock, I indulged in the nice things which could be said about it, and there are favourable things to say about this bill. I also spent some time speaking critically in the sense that I was pointing out things not in the bill which ought to be there. These related to improvements in the pensions of public servants and others who come under the aegis of the federal government. Even though in much of what I said last night I was speaking critically, the general feeling of the House was that the changes I was suggesting should be considered, if not immediately then certainly somewhere down the road. In other words, the 30 minutes of my speech last night was the pleasant part. I left for today a part which might not seem so pleasant, at least to some hon. members in this House.

I regret very much, especially at this time when restraint is being proclaimed, that there has been included in this bill a very generous increase in the provision of pensions of members of parliament, members of the Senate, cabinet ministers and others. Some might say to me that all this bill is doing is relating our pensions to the amount of our indemnity, and because our indemnity has been raised, therefore it is appropriate to raise the potential pensions which are payable to members of parliament. However, the fact is that in a potential way this bill is increasing the pensions of members of parliament by 33⅓ per cent. I use the word "potential" because one's pension has to be computed on the six-year average. But that is the general effect of the bill, to increase the pensions of members of parliament by 33⅓ per cent.

I said a moment ago that one has to have in mind the six-year average, but it is also a fact that the pay provisions of members of parliament passed earlier this year include escalation of 7 per cent in January, and so on down through the years, so that the total amount of pension which is available to a member of parliament is on the move. It keeps going up. At the present time, the maximum pension a member of parliament can draw is $13,500. That requires 25 years service, of course. That maximum will go up, according to today's pay scale, to $18,000.

I am glad my hon. friend, the member for Edmonton West (Mr. Lambert), is here so that he can put in his objections, just as I did not agree and muttered my objections last evening when he pressed so hard for the right of members of parliament to draw their pensions and also to draw salaries in the public service at the same time. That is in this bill. I do not happen to agree with it, but one has to lose some battles as well as win some. I point out that a 33⅓ per cent pension increase is overly generous. I point out, also, that under the Members of Parliament Retiring Allowances Act, for ten years' service one gets a pension of 35 per cent of the average of his six best years. In the public service, it takes 17½ years to get 35 per cent. I point out, likewise, that for 20 years' service in this House one earns a pension equal to 65 per cent of the average of his six best years. It would take 32½ years in the public service to reach that level of 65 per cent.

● (1230)

Finally, I note that in the House, with 25 years' service one reaches a pension equal to 75 per cent of the average of his six best years. Of course, that 75 per cent level is never reached in the public service; the maximum there is 70 per cent for 35 years.

Mr. Lambert (Edmonton West): Thirty years.

Mr. Knowles (Winnipeg North Centre): No, 35 years. In 30 years he gets only 60 per cent. Madam Speaker, I do not think we should ask for it both ways. I do not think hon. members should ask for a generous formula that builds up our pensions faster than all the other pension plans in this bill, and also expect that we should get the full pension advantage of the higher rates of pay that this parliament passed a few months ago. There is no question about what I would do if this proposal stood by itself as a bill to amend the Members of Parliament Retiring Allowances Act. That is the way it ought to have been done. As has happened before, it has been put into an omnibus bill which contains many things that we favour, as well as this point that some of us thoroughly oppose.

I would point also that as on a number of occasions after there has been debate on members' pensions, members will admit that there are some things in it that are too generous, particularly the right to draw pensions after six years of service, no matter what one's age. But nothing is ever done to correct such abuses. Let me carry it to the absurd. It would be possible, under the act we now have, for a person to be elected at age 18 and to be here six years, then at age 24 to draw a pension for life based on those six years of service. The likelihood of that happening is slight.

Mr. Baldwin: He would probably die a lot sooner.

Mr. Knowles (Winnipeg North Centre): But there are cases of former members who qualified for a pension going out in their late thirties and forties on pensions for life.

Mr. Lambert (Edmonton West): Yes, and I can think of the shabby treatment some received, too.

Mr. Knowles (Winnipeg North Centre): Yes, there has been shabby treatment, and before this plan came into effect a lot of members of parliament were treated shabbily. We never covered such former members in any bill to amend the Members of Parliament Retiring Allowances Act. I remind hon. members that when the Curtis report was presented to us some years ago, it called for the pensions of members of parliament to be deferred to age 55. As a matter of fact, everything in the Curtis report was accepted but that one point. Many members said afterwards that we should not have rejected that recommendation and that the next time this legislation was under review, we could change it. But none of those examples of generosity are being cut back in this legislation. Instead, it accepts all the generosity that is there and provides for this general 33⅓ per cent pension increase as well.

I submit that in these days, when we are being called upon to accept and to proclaim restraint, when we are asked to give leadership in this area, we should not in the same year, 1975, do the things that we have done, namely, provide substantial increases in our pay and allowances and also improve greatly the pension plans available to us. I accept the suggestion of the hon. member for Edmonton West that members of parliament should not be treated shabbily. That used to happen. There is nothing in this plan, however, to which the word "shabby" could apply. It is far too generous, and I hope that in the committee to which this bill is being referred we can take the time to look at its provisions in light of the leadership that the country expects from us at this time.

[Mr. Lambert (Edmonton West).]

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, I was very happy to hear the resolution that this bill is being sent to committee. It is very important that it goes to the committee which is so concerned about other aspects of the public service. In that committee we also considered the superannuation of public servants who have reached the age of retirement. I think it was a very good thing. I was a little concerned, when the debate began this afternoon, about the propriety of the suggestion that we might refer the matter to the Supreme Court of Canada to decide whether the committee was right. That has been resolved, and I am pleased that was the decision of the committee. I believe the committee is the appropriate place to discuss such matters.

I am prepared to admit the difficulties with respect to the omnibus bill that the hon. member for Winnipeg North Centre (Mr. Knowles) has mentioned, but the committee is equipped to discuss the bill rationally. I am certain, since the hon. member for Winnipeg North Centre is a member of that committee, that the matters he has raised will be discussed in great detail. Since its inception, the committee has indicated its willingness to deal with these questions as a matter of balance.

In that committee a few days ago we were speaking about the role of legislators in describing certain matters and rights that have been given to public servants and others by statute. I think it was Senator Robert Stanbury who said that the legislator's role in that context is to balance the equities that exist and the differences that exist. I would suggest it is not fair to equate the position of a public servant, a member of the Royal Canadian Mounted Police or a member of any other group who will benefit from this legislation with the position of a member of parliament. That would be unfair to members of parliament. The roles are different, the life is different, the problems are different, the obligations are different, and the circumstances in which they find themselves at varying periods of time in their professional lives as public servants or members of parliament are different.

As Senator Stanbury said, the job of the committee will be to balance those equities, to look rationally and honestly into the differences in the lives of the people involved. Whether for public servant or member of parliament, those pensions did not come about through avarice; they came about because the decision was made with respect to the different functions they perform. It is the same with the pensions for judges and lieutenant governors. I think consideration is being given to what men and women give up for a public life as opposed to other ways of life.

I say these things in response to the points raised by the hon. member for Winnipeg North Centre, and I think that even he will recognize that there are differences. I share his concern about including these matters in an omnibus bill. Perhaps in some instances the practice of legislating omnibus bills is bad. But it has not been done for any improper or unreasonable purpose. This is an omnibus bill because it is convenient to consider these matters in such a bill. This is a busy House, as one can see by looking at the order paper.

● (1240)

In the circumstances, I am pleased to see that this matter is to be referred to the committee previously mentioned, where we can deal with the issues raised in this bill, issues concerning the pensions of public servants, members of parliament, judges, senators and others. There will be ample opportunity to debate these matters in committee. Frankly, I want the committee to consider the general question of pensions. What is a pension? We must look at some anomalies involving pensions. For instance, some people can leave one part of the public service and gain employment in another without loss of pension benefit. They carry their pension with them. I understand that if members of the armed services or of the public service, including the diplomatic service, are elected to parliament they receive the benefit of their pension. They have earned that benefit. But others in society are not granted similar benefits. I am thinking of men and women who serve in parliament and who, because of their experience in public life, are offered appointments to the bench. One could say that they can refuse. I suppose everyone has the opportunity to refuse almost anything—except the ability to eat and breathe. People have the opportunity to refuse, but I want to see some consistency in the treatment of pensions.

If the committee concludes that a pension is earned, it should not be lost in any circumstances except death. I know there are provisions governing death benefits. In no circumstances should the pension be taken away if we consider it as earned. If we are prepared to give this idea lip service and pass legislation governing some pension benefits, I suggest we should take a good look at other sorts of pension benefits.

Yesterday evening the hon. member for Winnipeg North Centre, in a speech I enjoyed, mentioned the case of members of the armed services who because they do not take advantage of a certain provision within a specified time limit are penalized with respect to pension benefits. In other words, they are deemed by statute not to have a right to something they have earned. The committee will need to examine this kind of provision to see how it affects members of the armed services who take employment with the public service of Canada.

We must also consider whether superannuation should not be related to the best years of employment instead of the last years of service. I am thinking, for example, of the men and women employed in the aircraft operations groups of the professional institute. Their work is intense, physical and debilitating and there is the danger that they cannot maintain peak performance throughout their professional careers. I think that is an occupational hazard. I am sure that other groups in the public service are in the same position. I want the committee to consider whether superannuation should not be calculated on the basis of the best years of service instead of the last years.

I am glad to note that the government is attempting to remove differentiations as between salaries paid to men and to women for the same jobs in the public service of Canada. This attempt, being made in International Women's Year, is sound and I support the provisions of the bill which go in that direction. This is a large bill, with 106 clauses.

Mr. Knowles (Winnipeg North Centre): And 89 pages.

Mr. Baker (Grenville-Carleton): The bill is complicated and important. I am glad the government has seen fit to bring it forward now. I hope debate on it will be short; therefore I will say no more. I think much of the debate will take place in committee. I am sure that because we pride ourselves on being fair-minded we shall consider the equities of the matter which are important to hon. members and to certain people whom we represent. As I say, I think the debate should take place in committee and I commend the government for bringing the bill forward at this time.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I was pleased to learn from the exchange earlier this morning that the bill is to be referred to a committee on which I serve. As has been said, this is an omnibus bill. I have always been afraid that omnibus bills are not proper, that there is, shall we say, something the matter with them. I am under the impression that the government has introduced this omnibus bill in an attempt to tidy up certain matters which have been left hanging. In short, it is a housekeeping bill, although a complicated one. I am pleased to learn, therefore, that we shall be given the opportunity to examine it more fully in the Standing Committee on Employer-Employee Relations in the Public Service.

I hope there will not be any need to refer this matter again to that committee if it should happen that because of the committee's present preoccupations it cannot deal with this matter before the end of the present session. I understand that committees, special and otherwise, die at the end of a session and must be revived in a new session. I see several members of the committee present in the House. I hope, therefore, that the reference of this matter to the committee will hold good in the next session and will be continued in the next session, if that should prove necessary, so that we can deal with this particular matter.

Mr. Knowles (Winnipeg North Centre): The bill itself is a reference.

Mr. Munro (Esquimalt-Saanich): This morning I want to deal with two aspects of the bill. As the royal recommendation suggests, the purpose of this bill in part is to provide equality of status for males and females. That may be a tribute to the present year, International Women's Year, but it does not go far enough. I feel it is mere lip service—at a time when "LIP" is not the most pleasant expression to use. I mean that it is merely a verbal accommodation of a principle which we are not really incorporating into law. I maintain, Madam Speaker—and here I enlist your support—that there will be no equality of status in these matters until it is fully recognized that in a case in which a pension is involved, the surviving spouse who may not have been the breadwinner has exactly the same rights as those which would have been enjoyed by the breadwinner if he had survived. They are the same as enjoyed by the breadwinner when he survives.

● (1250)

As hon. members know—I have mentioned this in other debates—if the spouse should die, the breadwinner normally carries on with a 100 per cent pension, whereas the non-breadwinner in a situation of that sort suffers a 50 per

cent reduction in the pension she may draw or the superannuation payments to which she is entitled. I do not think that is equality. One of two things should occur. It stands to reason that at the age when the pension or superannuation falls due normally, whichever spouse survives is in no position to carry on with a reduced pension. The breadwinner can easily carry on with the full pension.

In the traditional situation, the man has been the breadwinner and has made the contributions. If he should be the survivor, he will receive the 100 per cent pension. However, if the breadwinner husband should die, the wife is left with only 50 per cent. She is in a more difficult situation when she has her income reduced in this manner. I suggest that this is not a sincere effort to provide equality of status as between the two sexes.

I would like to see either 100 per cent continued for the surviving spouse or some other figure. I am not prepared to state the figure; I cannot work it out actuarially or in terms of domestic economics. Possibly 75 to 80 per cent should be the proportion of pension left to either surviving spouse whether it be the breadwinner or the non-breadwinner. I suggest this is the equality we should be working toward.

The element of transportability of pension earnings from one area of the public service to another, whether in uniform or not, is good and I welcome it. I am the beneficiary of superannuation payments as a result of my service in the public service to which I managed to add my war service. This totalled 30 years. It may amuse you, Madam Speaker, to learn that if by chance it had not been to the House of Commons that I was called, but to the other place, I should have had to lose the pension I had earned over those 30 years. The reasons are legalistic. It is wrong that that should be the case. As a result of the superannuation benefits to which I contributed during my 30 years of service, I was able to carry on during that period when the salaries and indemnities in this House were not as great as they are at present. Otherwise, I could not have done it. I recognize the advantage I had at that time.

There are other matters in the bill. As I say, transportability is a fundamental principle that we must incorporate. There must be more tidying up than is done in this bill. There are other matters which have not been dealt with at all. I agree it would have involved a longer bill, but I think that the mysterious 85 formula which is used in the armed services and the public service has to be re-examined. I look forward to re-examining it more closely in the committee on which I serve. Naval officers—and that is a proud term—are obliged to resign their commission after 25 years' service. They are deprived of the increments and the full benefits of pension they might have had if they could have continued on to 30 or 35 years to make up this mysterious 85 formula.

As my friend and colleague, the hon. member for Grenville-Carleton (Mr. Baker) just mentioned, we must define what is a pension. This takes me back to equality. The contributions that the breadwinner makes to his pension are really contributions from the family budget. The whole family suffers to the extent that his contributions reduce the take-home pay in any given week, month of year. They do not object. However, I think they should be considered as family, rather than individual contributions. That would get us closer to the concept of equality.

I have never been able to get this straight in my mind: does the government make its contributions as the individual or family contributions are made, or are they only made from the consolidated revenue fund at the time withdrawals have to be made for the public servant? I look forward to the discussion we shall have on this particular measure when it reaches our committee.

[Mr. Munro (Esquimalt-Saanich).]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Special Joint Committee on Employer-Employee Relations in the Public Service.

The Acting Speaker (Mrs. Morin): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

INCOME TAX ACT

AMENDMENTS RESPECTING TAX ON CORPORATE BORROWINGS, INCOME FROM MINERAL RESOURCES, AND PERSONAL INCOME

Hon. Mitchell Sharp (for the Minister of Finance) moved that Bill C-65, to amend the statute law relating to income tax, be read the third time and do pass.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): On division.

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

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

AMENDMENT TO EXTEND CERTAIN PROVISIONS TO DECEMBER 31, 1981

Hon. Marcel Lessard (Minister of Regional Economic Expansion) moved that Bill C-74, to amend the Regional Development Incentives Act, be read the second time and referred to the Standing Committee on Regional Development.

He said: Mr. Speaker, as hon. members of the House are well aware, the Regional Development Incentives Act first received assent in 1969. Since that time it has been an important element in the regional development policy of

the federal government. The purpose of the bill now before parliament is to seek a five year extension of the act; no other changes are being proposed.

[*Translation*]

Mr. Speaker, I must say at the outset that I hope this bill will be passed quickly, since it will help to settle some pratical matters that are relatively urgent. The existing act will expire on December 31, 1976, and although there is more than a year to go, the fact is that the applicants who have accepted offers must by then have reached the stage of business production in order to be entitled to payments. In the case of large projects, it often takes over a year before production can start. The expiry date of the existing act is already being felt and serious potential applicants have some misgivings.

Although most members of this House are quite familiar with the Regional Development Incentives Act and its administration, I should like to outline briefly a few highlights of this act.

The incentives provided by the legislation can take the form of grants, guaranteed loans or refundable grants aimed at promoting investments and creating employment in depressed areas. More specifically, they are designed to encourage companies to establish new plants and extend or modernize existing manufacturing or processing establishments. Their obvious purpose in the long run is evidently to succeed in reducing regional disparities and achieving stabler economic growth in the country.

● (1410)

[*English*]

I should report, Mr. Speaker, that as of last August, the latest period for which complete program statistics are available, the Regional Development Incentives Act had helped to stimulate some $2.4 billion in capital investment in slow growth regions—investment expected to create about 122,000 direct new jobs. To this end, some $507 million in grant offers have been accepted since the inception of the program.

As a result of a major policy review undertaken in 1973 by my predecessor, the Hon. Don Jamieson, certain changes were made in the regulations governing the administration of the act. On the whole, these changes were designed to improve the decision-making process on smaller cases and to establish an administrative framework consistent with the decentralized mode in which my department now operates. There is now good reason to believe that these changes have led to a more smoothly functioning program, one that works even more effectively in concert with other elements of DREE policy.

I want to say, in this regard, Mr. Speaker, that it is important to realize that the RDIA is an integral part of the government's total approach to regional development. As most members are aware, the key element of that approach is found in the general development agreements which have been signed with each of the provinces except Prince Edward Island, which is covered under a similar comprehensive development plan. These agreements carefully spell out a joint federal-provincial strategy for economic development in each region which is aimed at taking full advantage of the inherent economic potential of that particular region. In this context, RDIA serves to complement industrial development by encouraging general industrial development which supports that broad development strategy.

Mr. Speaker, using RDIA in conjunction with the general development agreements provides, I believe, an effective basis for improving economic and social conditions in Canada's slow growth regions. It is equally important that I stress there are no unique solutions to these problems, no conventional wisdom which serves as an all-purpose guide to economic development in every region. It is for this reason that I stress the paramount importance of the flexibility built into our policy approach, an approach which requires, above all, the creative development of the opportunities at hand in each region.

[*Translation*]

Mr. Speaker, I do not hesitate to state in this House that, through these amendments, this program is working more smoothly and is better integrated into the department's general policy. I have no doubt that members of the House will make every effort to adopt this legislation without delay so that the implementation of the regional development incentives program will not be interrupted.

[*English*]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have listened with interest to the remarks of the minister, and we have no intention of prolonging the time this House will take to consider Bill C-74. We realize we will have the opportunity when it reaches the committee to consider this and other aspects of the DREE program. We understand, of course, that in the usual fashion the minister will be there taking part in the discussions.

I believe the minister is determined to maintain the high priority this government has put on DREE. Certainly, DREE's role is becoming a little more nebulous now and its priorities must be looked at in view of the fact that the whole economy is slipping and we are now in a period in which very shortly we shall be subject to a type of control and ground rules for business which have not previously existed and probably were never foreseen in 1969-70 when the DREE program was in its infancy. We have noted, and I believe it is fair to say that this is partly in response to suggestions we have made from this side of the House, that the minister has taken a more flexible approach. He has decentralized the department and changed the emphasis on growth centres. He has taken steps to avoid some of the worst abuses that DREE suffered in its earlier days, which were criticized severely by many academics and others.

I should like to think the minister will continue to search for new ways to make DREE a more effective and more beneficial program for the disadvantaged areas of the country. It is my hope that he will continue to explore all possibilities of co-ordinating DREE policy with transportation policy and needs, and I hope he will try ot use DREE funds as much as possible to promote long-term, worthwhile projects. One of the most beneficial aspects of the DREE program has been that part which is directed toward the construction of infrastructures because there, at least, we get something for our money and the economic benefits are there to accrue in years to come.

There are a few problems which perhaps are not touched on specifically in the connotation of this bill. What hap-

pens, for example, to companies which were granted aid under the old act? Will they have the deadline extended also, or will they still be required to be in commercial production by December 31, 1976? How many such companies are affected? I think we are justified in asking why there is a need to change this deadline from December 31, 1976 to, December 31, 1981. Is there some study or survey which indicates that this particular deadline is advisable, or has this been done more or less on a hit-and-miss basis?

Let me take this opportunity to suggest to the minister and to put on the record that he should seriously look at the possibility of extending the definition of "industry" to include service and tertiary industries and not merely manufacturing and processing industries. This concept bears looking into because it is particularly hard these days, as the minister well knows, for the people who desire to get into business to pay the very high interest rates which exist and to solve the other complications that have been constantly accumulating over the last few years.

There are many areas such as my constituency where we have a heavy industrial base and a lot of service type industries could be brought into existence, but they do not qualify for aid under DREE. Whether or not some of these industries ought to receive assistance is a question that can, of course, be put in the capable hands of the officials in the regions charged with evaluating the practicality of such assistance. On the other hand, if the definition were enlarged to give a slightly wider scope to this type of application, I think there are many industries in which additional jobs would be created and economic benefits would arise therefrom.

Let me say to the minister again that we on this side of the House wish him well as he gradually becomes more familiar with the many details that comprise his very important portfolio. In the Atlantic region of Canada, in particular—of course, not to the exclusion of other areas of the country—we are looking at DREE constantly to see how it can be of positive benefit to us.

● (1420)

We hope the minister, even with a change in economic climate and the new conditions I mentioned earlier, will be constantly urging his colleagues to give DREE a high priority and continue to try to have DREE extended in the most wise and beneficial way. I know that from time to time he will listen to the suggestions we put forward from this side of the House and evaluate them in a constructive and open-minded way.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I too extend my congratulations to the minister on undertaking his new responsibilities. I assure him of the co-operation of this member and of my colleagues in an attempt to attack the very difficult problem of regional disparity. I wish him well in his new ventures.

When this bill comes before the committee I will have some constructive suggestions to put forward in respect of how we can improve the attack on regional disparity. I would ask the minister to attempt to expedite the answers to some questions I have on the order paper, which would enable me to make a more meaningful contribution to the committee. I have about 12 questions dealing with the department, and while they are comprehensive I would appreciate any effort he could make to obtain the answers before we go to committee.

My feeling is that the federal government should not simply content itself with giving a department such as DREE a limited degree of authority. It should establish machinery which would produce co-ordinated results and which would, in terms of regional economic development, co-ordinate the policies of all departments and bring into focus all departmental policies on the problem of regional disparity. When I speak of departments I think particularly of the Department of Transport and the Department of Finance following the same policies as DREE.

It is really not enough for us to ask other parts of Canada to spend large amounts of money in our area through DREE and then have other departments work contrary to these policies, be they freight rate policies, fiscal or monetary policies. It is this total focus which I think could make a very valuable contribution as part of Canada's policy to solve the problems which exist in all parts of Canada, particularly in the maritimes and some parts of Quebec.

I cannot emphasize too strongly the importance of co-ordinating efforts within departments of the federal government. It is also necessary to co-ordinate the efforts of the federal and provincial governments, especially in the Atlantic region. The three maritime provinces have improved their machinery for inter-provincial co-operation, but we are still a long way from a plan of development for the region in which each provincial government and the federal government would play a co-ordinated role.

Let us first go back to May, 1968, and review the Prime Minister's (Mr. Trudeau) words on regional inequality, spoken at Moncton when hopes were high and before disillusionment set in. He said:

> I am convinced that the need to strike at the roots of regional economic disparity in Canada is one of the absolutely top priorities of any Canadian government.

He was enthusiastic then, riding the waves of Trudeaumania. Perhaps he did see all Canadians on the way to becoming full participants in his "just society". But now, almost seven years later, if he still has that vision he possesses far better eyesight than we poor mortals in the Atlantic provinces.

DREE should get away from the idea that its only responsibility is to provide industrial incentives to entrepreneurs who wish to move into the Atlantic area, or to local businessmen who want to expand their present operations. DREE should be doing far more than that. It should be looking hard at the big jobs here crying to be tackled. For example, what has DREE done about the Fundy tidal power project which is linked with the building of the Chignecto Canal? I would wager nothing. It is very convenient for the government, whenever Fundy is seriously mentioned, to be able to pass it off to a study, or a commission, or a committee, which it knows full well can stall the project another year or another decade. Why is DREE not brought into these discussions? Why is not DREE handed the responsibility of correlating these studies? Why is not DREE given the job to do?

DREE was created to lead the attack on regional disparity. Like Uriah the Hittite, it was to be thrust into the

forefront of battle, there to do or die. But DREE stayed in the background when the big conflicts raged. It handed out its grants and loans to justify its existence, and failed miserably to take hold of the big projects which the Atlantic provinces have needed for generations. In short, it avoided the massive development undertakings without which the Atlantic provinces will always remain what they are today, the most neglected part of Canada.

I am an infrastructure man. I will always be an infrastructure man. Infrastructures are the only hope of getting Atlantic Canada into a position of parity with the rest of the country, a position from which it can stay caught up. Millions of dollars in piecemeal grants over the years have done nothing but keep us from sliding farther behind. The dole has failed.

It is time to get back to the bold and imaginative policy of regionalism pioneered by the right hon. member for Prince Albert (Mr. Diefenbaker), the principle of special aid to the Atlantic provinces on a massive scale. Where mere millions have been parceled out to keep the wolf from the door, billions are needed; billions not in spending but in investment, investment in permanent and lasting projects which will bring the Atlantic provinces to equal partner status with the other six, and which will dispose of the need, once and for all, of the subsidies and handouts which have always been associated with us as a backward area.

I thought at one time that the Prime Minister of Canada was an infrastructure man too. All signs pointed to his involvement in the projects which would form the foundations for a new Atlantic economy. I refer to an exclusive article by the Prime Minister in the *Atlantic Advocate* of March, 1969. As you know, Mr. Speaker, the *Atlantic Advocate* is a magazine published in Fredericton, my home, and is one of the great quality magazines of Canada. In it the Prime Minister had this to say about infrastructure:

> If there is one main reason why industry has been slow to develop in the Atlantic region, it is distance from the main markets of central Canada. Because there are few industries, the costs of other industries are higher than they would be in central Canada. Those to which transport costs in themselves do not matter much are nevertheless handicapped by the absence of companies producing components or providing technical services; by the lack of industrial experience and the lower educational standards of much of the labour force; by the poorer infrastructure of roads and water supplies and power and so on.
>
> In short, slow economic growth creates a kind of vicious circle that keeps growth slow. The attractiveness of a location to industry depends closely on the quality of many public services: on power, water, roads, railways, port facilities, sewers, schools, universities, research establishments and so on. These are the infrastructure of the economy. Some of them are under federal jurisdiction, but most are provincial and municipal responsibilities.

That is a quotation with which I find myself agreeing very easily. From this it could be gathered that the provision of infrastructure was to be an important part of the operations of DREE which, at that time, was just getting started. One could see in that article a determination of the Prime Minister to separate federal and provincial municipal jurisdictions and to launch a mighty drive to get the federal share of the job done. One could envisage a breakthrough on the part of DREE which was to have the powers to provide assistance by direct action, and by action through the provincial governments to create the necessary infrastructures.

● (1430)

But promises and performances by the Liberals, as always, were entirely different things. DREE was launched with great fanfare as the answer to all of our economic problems. It did not take very long, however, for the Atlantic provinces to realize exactly what DREE was—just another federal agency handing out grants and loans and doles, and shirking the responsibility of getting to the fundamental problems of the area, of spearheading the mighty projects which common sense tell us must be the cornerstones of Atlantic prosperity—the Fundy tidal power project, the development of the ports of Saint John and Halifax, and an Atlantic transportation policy which would include the corridor road, with United States cooperation, and a modern high speed highway between Fredericton and Saint John to transport agricultural products, parts for manufacturing industries and other goods to world markets via the port of Saint John. Not one of these projects came under the aegis of DREE. After five years of DREE the positions of all of these projects are exactly as they were when DREE was created—in limbo.

Well, we are still awaiting the new minister's performance. I believe that new policies should show a willingness to get to the basics of Atlantic economics and to put first things first. There has to be a new set of priorities, and the projects I have mentioned have to be in the top echelons of those priorities.

I am getting more and more support in my campaign for Atlantic infrastructures. Some of my colleagues have joined me. I would hope for the support of more of them. Yes, and for the support of all Atlantic members, as well as that of the minister responsible for DREE. I am not asking for the moon. I am asking for fair treatment of an area whose problems no amount of subsidies and grants can solve if the solid base is not laid down.

Give us the Fundy tidal project and the Maritimes will become the power house of the continent with both Canadian and American—yes, and British and French and Japanese—interests clamoring to invest in us.

Give us the corridor road and, by means of a straight super highway linking Vanceboro in Maine with Sherbrooke in Quebec, the shippers and travellers and tourists of this area will be five hours and 150 miles closer to the markets and attractions of central Canada, and vice versa.

Give us the port developments, and the great tankers and container ships of the world will come to us in armadas of profit.

In short, give us the infrastructures and let them form the foundation. Then, Mr. Speaker, the rest of Canada can forget the subsidies and grants and handouts which they have been forced to provide us, often against their will, for the simple reason that no one has ever had the common sense, foresight, and resolution to face facts squarely and give us the tools with which we can put our own house in order.

I would say that my immediate suggestion is for the minister to focus his attention on the infrastructures I have mentioned, and to focus the attention of all departments of government on the problems of regional dispari-

ty. In closing, again I wish the minister much success in his new ministry.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, first I want to congratulate the new Minister of Regional Economic Expansion (Mr. Lessard) on his appointment. This is the first opportunity I have to do so. I am all the happier as I am one of the promoters who launched him in politics the first year. In his first political campaign, we fought side by side when he ran on behalf of the Social Credit. Today, he was honoured by his party with the responsibility of heading a department, and as a representative of my area and as one of my best friends, I am quite happy.

I realize that the act was first introduced in 1969 to fight regional and economic disparities, not political disparities, as I had the opportunity to point out on occasion before the Committee on Regional Economic Expansion on which I sat, and I hope past mistakes will not be repeated. I would suggest to the new minister so as to help him in his work perhaps—because it is a big job—that it might be a good thing to set up in each region an advisory regional committee to guide the minister, the whole department and the bureaucrats, because I do not feel that the bureaucrats alone are qualified to say whether an industry deserves or will deserve help from the government or will be turned down. We had proof over the years that many industries, in my area in particular should have been helped and were not. Other industries got much more than their share, probably because of underhand favours.

I am convinced that with the new minister, things will be straightened out. And if our area was neglected in the past, the minister this time will not forget it since he lives there. I feel that every precaution has been taken since the minister is from our area. With the unemployment rate between 15 per cent and 18 per cent in our area, I think the minister will certainly have work to do and will have to consider all protects because in the years to come, we will have great projects. Several large and very important projects will be submitted for our area. A uranium mine has just been discovered about 35 miles from my place. We also have major forest projects. I think the minister will have plenty of work in our area. I hope that if he helps big businesses, a fact that I do not decry because they deserve it, he will not forget small ones, the new enterprises that need government assistance to get started. I think this was not provided in our area in the past.

Too much attention was paid some inspectors, and I would even add some political watchdogs, to the detriment of the small businessman who has a hard time getting his business off the ground and who has yet to have attention of the government. I say that because I have proof of it, because it is bad politics. I am sure that is going to stop with the new minister and that our area, and especially the small businessmen—who are waiting for government assistance to support their efforts, who had savings and risked their all hoping that the government would help them through its Department of Regional Economic Expansion, which gives reasonable grants to guarantee reimbursable grants—I am sure, as I say, that on those three scores, they will now get the help they have been waiting for and did not receive for years.

I therefore ask the present minister to kindly look at our area, his area, without overlooking the rights of the other provinces. I am merely asking for plain justice, fair distribution, social justice. I therefore wish the minister the greatest success and ask him once again, on behalf of my whole area, to help all the industries which need that help to get their production under way.

● (1440)

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I join my fellow Conservatives who have indicated that it is not their wish to impede the progress of this bill.

An hon. Member: Good speech.

Mr. Brisco: Don't rush me. At the same time we do have some suggestions and recommendations to make to the new minister, together with congratulations to offer from all members on all sides of the House on his appointment to this new position. In British Columbia we are particularly pleased to see that the minister has decided to recognize the long service provided by Mr. Mair, and has recognized the continuing needs of the province in the appointment of a new member. I believe it is Mr. Marshall from New Brunswick. We are certainly encouraged at this new appointment and pleased that Mr. Mair will be accorded regard for his service in the province of British Columbia.

There are some very serious concerns which must be voiced whenever we discuss DREE. There is no question in my mind that we have to allow this bill quick passage in order not to impede the progress of any development currently under way which otherwise might be affected by the existing time contraints of the act. However, I am concerned about the disparity which exists between the provinces in the usage and implementation of the DREE program. When I read news releases from the minister's department I am concerned when I read about Ontario—Ontario—Quebec—Quebec—Quebec—Nova Scotia—British Columbia—Ontario—Ontario—Quebec, and so on ad infinitum and ad nauseam. There is a need for an appropriate balance and an end to the disparity which exists, and I have every confidence that the new minister is going to pay attention to this regional disparity.

I should also like to comment on the need for a much closer examination of the true intent, purpose, and goal of the DREE program. It is all well and good to say that the purpose of DREE is to encourage employment and to establish new industry in areas of economic depression, but there also must be some consideration, as has already been said, about the infrastructure. There has to be consideration about the social impact of a new industry, the environmental impact, secondary or primary, in any community.

Is it the responsibility of the community and the province, or is it the joint responsibility of the community, the province, and the Department of Regional Economic Expansion to address themselves to the problems they themselves generate by the very establishment of new industry without any reference to, or concern for the needs of the community with regard to schools, hospitals, police,

sewage disposal, and all other infrastructure problems generated by the establishment of a new industry? These are areas which have not had, in my view, proper attention.

There seems to be some effort on the part of the province of British Columbia to resolve these problems. The effort thus far has proven to be a fiasco, and I refer the minister and this House to what is referred to as the Kootenay task force study. I understand that there is a similar study into the needs of Kootenay West, and this study is based on a study of the Queen Charlotte Islands and Prince Rupert. It is hoped to tailor the needs of those areas to the needs of Kootenay West. That shows that there is not a true grasp of the needs of either area.

I have other concerns with reference to the establishment of new industry which I think the minister would be well advised to consider. Under-capitalization is one of the biggest causes of the failure of any business or new industry established under the DREE program. Too often in its genuine desire to satisfy the need to establish a new business or a new industry in an area of economic depression, DREE does not look closely enough at the final stages and the final impact of the establishment of that business or that industry. The end result is that after a few months in production they are suddenly faced with additional capital expenditures for which there has been no provision made. As a result the taxpayers' investment has frequently either ground to a halt for a period of time until new capital could be raised, or—and in fact on more than one occasion—has simply gone down the tube. What a waste of manpower, tax dollars, and talent! Under-capitalization is too frequently a cause of this failure.

Some hon. Members: Hear, hear!

Mr. Brisco: There is need to educate the community and the provincial government to the entire DREE program. Frequently we will see a new industry strive to establish. Perhaps initial purchases of equipment are made. Then all of a sudden the new industry finds that it is in trouble and wonders where it can go. Someone suggests DREE, and when the industry goes to DREE it is told that DREE might have been able to help if it had not spent that first dollar. The industry is told that it has gone too far down the line, that it is committed and that DREE is sorry but that there is nothing it can do—end of new industry. That is wrong.

The manner in which this problem can be solved, and quite simply so, is through a proper selling program by DREE officials directed to the people who know what the score is in the community and who know what industries are required and what can best be done to establish them. But let us not mislead the public, the business community, and the taxpayer by allowing some fellow to start up a new industry, and then when the industry is going down the tube being told by DREE that he cannot be helped. It is simply a matter of inadequate education. DREE does not have a proper educational program with which to sell its product.

There are one or two other concerns which I must voice. The other day in a B.C. caucus meeting in Castlegar we received a brief from the British Columbia Wildlife Organization. In that brief they asked the following question: is industry created to resolve unemployment? That caused us to laugh and to look at it in a rather cynical light. However, there is some measure of truth in that particular statement. Perhaps we could cite as an example the electric knife. How badly do we need the electric knife? Did some inventor or manufacturer decide to resolve the unemployment problem by constructing a factory to produce electric knives? Is it really that important to us? I am sure there are other examples that could be quoted but I think we must first look at the need to establish a secondary industry that is geared to the primary industry of the riding.

● (1450)

It has frequently happened that a factory for canning fruit has been established in the heart of a mining area. What purpose is there in establishing a secondary metal fabricating plant in the heart of an agricultural area? In other words DREE is not looking to the problem of creating secondary industry that is tailored to the primary industrial thrust of a specific area or community. If the primary industry is forestry, then let us establish secondary industries geared to that; we should not put in a factory for canning peaches. If the primary industry is smelting, as in my constituency, then put in a metal fabrication plant or something of that nature.

It is a false premise to assume that you can establish an industry that is not related to the basic economy of your riding that is to assure that you are eventually going to lose that industry through the pressures of taxation, competition, or maybe transportation.

Finally, Mr. Speaker, I am concerned that when DREE is providing a grant for the establishment of a secondary industry it should address itself to meeting the basic criteria which are set by the federal and provincial departments of the environment before a grant is provided.

In Kootenay West we are faced with a problem regarding an industry that received a DREE grant. It appears that there is a possibility of a creek being polluted, and of the noise level affecting a neighbour whose home is adjacent to the factory. These questions have been directed to environmental groups and organizations interested in the problems affecting the industry, the neighbour, the Department of Regional Economic Expansion, and departmental officials. I am sure none of them need these additional headaches.

I would urge the minister to realize that environmental concerns must be recognized and perhaps completely resolved even before an industry is established, but I do not say at the expense of industry—I am not one who proposes that industry be put down because of environmental concerns. What I do say is that we have to pay attention and not establish industry that pollutes and is not in harmony with our environment. Those are some of my concerns, Mr. Speaker, and I must express them to the minister on behalf of the people of Kootenay West. I congratulate the minister on his appointment and look forward to working with him at committee level.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would be less than human if I did not join with the other members who have spoken today in congratulating the Minister of Regional Economic Expansion (Mr. Lessard) on his new appointment. I also thank my friends

to the right for their humanity in not taking an opportunity that they thought they saw. The fact is that we do commend the minister on the responsibility that has been assigned to him. Some of us have watched his progress—at least his movement—from the Social Credit back benches to the Liberal back benches, to the Liberal middle benches, and now to the Liberal front bench. I suppose the question to ask is: where does he go from here?

An hon. Member: Across.

Mr. Knowles (Winnipeg North Centre): Yes we have room over here. The minister said in his opening remarks with respect to this bill that he was confident members would be happy to give speedy passage to it. I can tell him that he is one of those fortunate ministers who has been assigned a Friday afternoon for his bill. Usually a minister who gets his bill in on Friday afternoon gets it through.

That does not mean it is an open and shut case that grants under the Department of Regional Economic Expansion should be continued for five years beyond the present expiry date without some pretty searching questions being asked. I feel that the glamour and fanfare with which the Department of Regional Economic Expansion was launched have not really been matched in the kind of program that has made a significant attack on disparity amongst the regions of Canada. I would hope the new minister will realize that if he is going to get congratulations from members on the opposite side of the House a year from now he has to make some real improvement in the administration of the DREE program.

As the minister knows there have been assessments of this program, some of them academic as one of the previous speakers noted. One was the Springate assessment of a few years ago in which statistics were adduced to show that very few industries receiving DREE grants chose the place to locate their industry simply on the basis of such a grant. As I say, the evidence is there that in many cases these industries had already decided where they were going to locate, and the grant was just a little assistance. It is still true, as the last speaker pointed out, that when one reads down the list of DREE grants the names of the central provinces keep occurring again and again.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It is just occasionally that the other provinces come into the picture. There are those who have suggested that tax incentives and other such methods would be just as effective, if not more so, in achieving decentralization. Of course it is still true that one of the best ways for the government to achieve decentralization is to see to it that some of its operations get put out into other areas. The hon. member for Winnipeg South (Mr. Richardson), who is also the Minister of National Defence, had some success in getting the Royal Canadian Mint moved to Winnipeg, but there are some other things to be decentralized to Winnipeg.

An hon. Member: Air Command.

An hon. Member: That has left.

Mr. Knowles (Winnipeg North Centre): I would not mention the air industry.

An hon. Member: I did not mention the industry. I said Air Command.

Mr. Knowles (Winnipeg North Centre): My friend admits he did not mention the air industry. That is not exactly one of the accomplishments of the Minister of National Defence.

● (1500)

The Manitoba government said some time ago that if the government, instead of giving grants, were to move the government's computer centre to a place like Winnipeg, that would be a real move toward decentralizing industry.

I remember many years ago being part of a group which was having a friendly, informal discussion with Mr. St. Laurent after he had made one of his trips across Canada. Those were days when things were not quite as confused and discouraging as they are now. He found life in Canada pretty good, but the one thing which bothered him greatly was regional disparity. He wanted to do something to correct regional disparities. It bothered him greatly that there were regions of the country, particularly in the Maritimes, where conditions were so much below what they were in the central provinces and other parts of Canada.

I suggest that the minister should not merely regard his job as an appointment, as a job he must fill, as a position which will entitle him to be called "Honourable", and so on. He heads a department which began with a great deal of fanfare. It was to do wonderful things. Now it has become bogged down as an administrative operation and is falling far short of its original goals. Even my friends who wanted to pay the minister all the compliments they could today had to include in their remarks expressions of concern having to do particularly with the maritime provinces; they were concerned about the failure of DREE to do very much for their areas.

There is another criticism which a person whose name is well known across the way, Hon. Eric Kierans, has made. He says that the way DREE grants are handed out means that they will do much more to create capital intensive industry than labour intensive industries. Even today, when the minister said that according to latest reports the things DREE has done are expected to create about 122,000 direct jobs, I notice that the minister had to use the words, "expected to create." No doubt that figure was arrived at by adding up the sum of jobs it was thought would be created by each and every application. The firms concerned have said how many jobs each grant will create, the total adds up to 122,000, and the minister said with a straight face that those DREE grants are expected to create 122,000 direct jobs. I want to know, is it to be 122,000, 100,000, or 50,000 jobs? This is why I believe Eric Kierans' criticism needs to be considered. He suggested that in all probability we are helping to establish capital intensive activities rather than labour intensive industries.

Although we wish the minister well, we say that the aim is to create jobs. I notice that if you compare the current government telephone directory with one of a few years ago, you will see that some jobs have been created. A couple of years ago we had the minister, deputy minister, and two assistant deputy ministers. Now we have six assistant deputy ministers. Some new jobs have been

created. But what about jobs by the thousands in parts of Canada where they are really needed?

I believe the kinds of speeches which have been made today are significant. The hon. member for York-Sunbury (Mr. Howie) made an important point about infrastructure and investment. If my hon. friend from Timiskaming had not had to leave he would have spoken on this topic. He feels that when grants are given some attention to equity should be paid, and that they should not just be handouts.

So, Mr. Speaker, I make my appeal to the minister. No doubt he felt it was a great day when he was called to the cabinet and given all the privileges and perquisites which go with his position. But I suggest to him that his job is not merely one of carrying on a bogged down administration, not one merely to keep the bureaucracy going. His job is to bring about a return to the high ideals and enthusiasm which were so apparent when we decided to establish the Department of Regional Economic Expansion. Lessening economic disparities in this country is a tremendous goal. I hope the minister sees that as a challenge he must meet.

The Acting Speaker (Mr. Turner (London East)): Order, please. If the minister speaks now he will close the debate.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, first I should like to thank my colleagues who have taken part in the debate, more especially for their kind words, their congratulations and their wishes of success in my new work.

I can assure them that I will not delay the debate further. I have taken note of all questions raised by hon. members. For example, the hon. member for Central Nova (Mr. MacKay) wonders if the new bill will have some effect on the applications which have already reached the department. Surely not, I can reassure him in that respect. We have taken some commitments and we will comply with them. It is precisely because we think that we will be making some new ones in the next few weeks that we hope the bill will soon be passed.

He mentioned, of course, the present economic issues that have implications on departmental activities. Everyone is aware of this, but our department is not the only one involved since all government activities are affected. The economic conditions are responsible for these difficulties. On the other hand, I am convinced that our department will emerge all the greater from this new experience and will continue as in the past to be most active in the areas where the need for our programs is the greatest.

For instance, the hon. member puts the following question: Why ask for a five-year extension? Because we believe it is necessary. The extension for a five-year period will give the government time to review its program, if need be, but especially will enable the businesses already in touch with the department to continue their research work, their market studies and projects. Then, they can be sure that if they submit a proposal in six, fifteen or eighteen months, the act will be in effect and they may obtain the assistance provided under the act.

The hon. member for York Sunbury (Mr. Howie) is highly interested in infrastructures. He warns me against a tendency I could have of favouring the development of industries over that of infrastructures. I could simply point out to him that infrastructures and their development represent a very important area and it goes without saying that the department committed itself in general agreements on present development to further expansion and it established infrastructures. I want to make very clear, however, that infrastructures, as important as they may be in slow growth areas where we would like to see expansion, will be justified only to the extent there is hope for ensuing industrial development to create new jobs, generally improve the standard of living and stabilize if not increase the population in those areas.

There are certainly a score of projects the department could take into consideration. That of the Bay of Fundy is an obvious one. We know that this is a very extensive project which has been on the planning board for several years. He suggests that the department which I head ought to be the foreman for this great project. He suggests also that we should forget about all other projects to concentrate our operation and financial resources on the development of large scale projects, such as building a tidal power plant at the Bay of Fundy.

If we were to accept his suggestion, if we were to concentrate our efforts on these great projects as a priority and turn down all opportunities for action which are being offered to us during our bargaining sessions with provincial governments—especially those of the Atlantic coast—I think that we should miss a great many fine occasions to improve the social and economic conditions of these regions, to help establish new plants and create new jobs.

● (1510)

Of course, such a project is important and will have to go through further developments. However, he has mentioned that the good years of the Diefenbaker government's regime had given rise to great expectations for the Atlantic region with the setting up of the Atlantic Development Council.

Without wanting to pass judgment on nor criticize the proposal of the time, I must say that I was a member of the House when the Diefenbaker government brought in this proposal in 1962 and that when that agency was set up it sounded all right in principle, but it had in fact no power at all and particularly no budget to work with; it is only with the advent of the Liberal government in 1963 and on the instigation of the then member for Bonavista-Twillingate, the hon. Mr. Pickersgill, that that agency has been modified in order to be provided with very substantial funds allowing it to work in the areas which had been assigned to it by the previous government. Thus, I think that the Liberal government has been more generous than the Progressive Conservative government of the time in this area.

As regards the other criticism on that question of cooperation between the two departments, I must say here that when policies were revised, it was agreed that we would try to better coordinate our activities with those of other federal and provincial departments. And that is something we achieved to a high degree in the last years. The auxiliary agreements we reached with the provinces clearly indicate that the Department of Regional Economic Expansion is involved with two, three—four in one case recently

in Saskatchewan—or five different federal departments in development programs. I can name the project of Qu'Appelle River, which is very important for the province of Saskatchewan.

Mr. Speaker, I could raise many other points. The hon. member for Kootenay West (Mr. Brisco) brought up some very interesting points of which I am very much aware; the department is very conscious of some of the difficulties we have in British Columbia, of some positive experiences, and some less positive we have had. We recognize it but hope those problems are only temporary, that we will solve them.

I thank the hon. member for Roberval (Mr. Gauthier), my colleague, for the support he graciously gives me as a neighbour in the province of Quebec and more specifically in the Saguenay-Lac-Saint-Jean area. I can assure him that my concern for that area goes without saying, but he must not forget, as he said himself, that I am a federal minister and that I can in no way favour my area to the detriment of other regions. Anyway, as he said, he does not want my area to benefit from undue privileges; but it does need federal assistance. I can assure him that I shall discharge all my responsibilities to ensure that the projects put forward by my area are given prompt attention by the officials of my department, with the hope that we will be able to contribute to alleviate unemployment; the unemployment rate we both have in our constituencies is 30 per cent, which is very high. I think nobody in this House will resent me if we succeed in supporting some projects in our areas to alleviate the great difficulties we are in.

As to the hon. member for Winnipeg North Centre (Mr. Knowles) he is an experienced man in this House. Indeed, I have known him ever since I came here in 1962 and I can assure him that the decentralisation of the department that took place 18 months ago, barely two years after a revision of our policy, was certainly not done with a view to creating jobs. If we wanted to have those regional offices headed by assistant deputy ministers it is precisely to indicate the seriousness we were attaching to that decentralisation and the power given to those officers—a decision making power.

Decisions can be made on the spot on a very large number of applications submitted. That is why we have assistant deputy ministers in our four regions to be sure that the greatest number of projects possible can be rapidly dealt with and a decision made in the shortest period of time possible. We gave those people a high level of responsibility and I can assure you, Mr. Speaker, that that level of responsibility produced a lot of effect up to now, and I could only quote the number of related agreements that were signed in the last 12 months. Indeed, it was just 18 months ago when we signed the general agreement with the provinces. We signed a very large number of related agreements, particularly in the maritime provinces, of course, but also in the prairie provinces, Saskatchewan being the one with the greatest number now in effect. We hope soon to sign several others with the province of Manitoba. Indeed, I am supposed to go out to that province in the weeks to come to meet with provincial authorities.

Of course, it is always relatively easy to criticize the activities of a department. A department like the one I head, of course, has no precedents on which it can base its action. It must innovate. It must acquire experience. It must work with provincial governments, local institutions. And that is what we did, that is what we tried to do more with provincial governments by identifying priorities both at the industrial and infrastructural levels, ascertaining with the provincial governments the best use possible for the amounts that are made available to us.

In answer to a criticism which has been directed at the department, namely that we give multinational corporations, companies and industries in general too much help while not giving enough for provincial and municipal infrastructures, I would like to point out to hon. members that out of a budget of roughly $500 million, $70 only are allotted to help industry in general and the balance to infrastructure development and the implementation of programs which are proposed to us by provincial governments. This shows a large part—I should say a very large part of the departmental monies are earmarked for infrastructure development in the hope and trust that this is consistent with the priorities not only of the provinces but also of the townships and their people, as our action is geared, of course, to improving the standards of living of people who live in the areas said to be of slow expansion rate or underprivileged.

We would like their living standards to be such that people will appreciate living there, and above all that those who have deserted those areas to go and make a living in big cities such as Montreal, Toronto, Vancouver and Winnipeg, for example, will be enticed to go back home.

But, Mr. Speaker, it is obvious that the department's activities, because of its objectives, necessarily give rise to conflicts with the large centres of the country which probably see our department as a group trying to impede the development of the large centres like Montreal. Toronto, Vancouver or Winnipeg. I would like to conclude my remarks on this particular point: I think it is in the interest of the large centres, in both the short and especially the long run, that we preserve in the bordering areas of Canada, the peripheral areas, those described as disadvantaged, a very strong percentage of people to prevent this phenomenon of Canadians concentrating in large centres, with all the attendant effects and problems, namely overpopulation, pollution and, particularly, the very high cost of housing, for instance.

If we manage somehow to slow down that exodus of people towards large cities through department activities, we shall be and we are serving the interest of great Canadian cities. I insist on that: If we want natural resources supplies to remain adequate for great cities, if we in this country want to have people in distant areas where those resources are to be found, if we want them to stay there, the quality of life in those parts must be adequate enough to prompt them to stay, and young people must be provided the prospect of employment and a rewarding future.

Only if we are prepared to transfer funds from the federal treasury to those regions to upgrade, develop and maintain them, will we accomplish something, because it is not enough to say that those regions will supply great cities with raw natural resources, it is not good enough, it is far from being good enough. We should do more than that and make sure the processing of those raw materials will take place in those areas to a degree which will ensure

their development, in order to give young people the assurance that they will find jobs and that Canada as a whole will benefit from that situation, so that the strength of the provinces which constitute our nation will make each and everyone of us stronger.

The House will refer this bill to the committee for other considerations. I took note of all representations made up to now by hon. members who took part in the debate, and I am confident that when we all sit in the regional economic expansion committee we will be in a position to dig deeper in the various suggestions, and I will of course take that opportunity to provide members with further information and to answer some of the questions which were put. May I conclude by thanking my hon. colleagues for their cooperation in that respect.

● (1520)

[*English*]

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

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker, may I suggest that all the orders preceding notice of motion No. 3 be allowed to stand, and that the House proceed with that order?

Mr. Knowles (Winnipeg North Centre): First we had better call it four o'clock.

Mr. Guay (St. Boniface): May I call it four o'clock, Mr. Speaker?

The Acting Speaker (Mr. Turner (London East)): Is that agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

INCOME TAX ACT

SUGGESTED AMENDMENT TO PROVIDE DEDUCTIONS FOR VOLUNTEER SERVICES PROVIDED FOR CHARITABLE ORGANIZATIONS AND GOVERNMENT AGENCIES

On the order:

November 18, 1974—Resuming debate on the motion of Mr. Reynolds, seconded by Mr. McKinley:

Income Tax Act

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act to provide for deductions for volunteer services provided by a taxpayer on behalf of either a charitable organization or a federal, provincial or municipal agency.

The Acting Speaker (Mr. Turner (London East)): The hon. member for Burnaby-Richmond-Delta.

Mr. Guay (St. Boniface): Mr. Speaker, I rose on a point of order a moment ago and may I repeat it. May I suggest that all the orders preceding notice of motion No. 3 be allowed to stand and that the House proceed with that order?

Mr. Baldwin: On the point of order, Mr. Speaker, there have been the usual discussions between certain people here. We have been considering whether or not, in light of certain special circumstances, the hon. member, who is a very conscientious member and has brought forward this very important motion—he might want to supplement what I say—would be prepared to allow the matter to be discussed two weeks from now at an appropriate time. This is on the understanding that the government look very seriously at the content of the motion to see whether it can be referred to a committee, so there can be a very careful study made of the matter in committee. If that is the case I think we would be prepared to agree that this be done at the present time, and perhaps the House might want to consider adjourning at an earlier time.

I understand there are a lot of ministers with some very important questions to answer and who need time to prepare themselves to answer these questions at a later time. Furthermore, I am told there is one Liberal here from Alberta, and I want to take several hours to see if I can find him to verify his presence.

Order stands.

The Acting Speaker (Mr. Turner (London East)): Is it agreed that we call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner (London East)): This House stands adjourned until Wednesday, November 12, 1975, at 2 p.m., pursuant to order made Wednesday, November 5, 1975.

At 3.28 p.m. the House adjourned until 2 p.m. on Wednesday, November 12, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Wednesday, November 12, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

SUGGESTED REIMBURSEMENT OF PUBLIC TREASURY BY LIBERAL PARTY OF COST OF KEEPING PARLIAMENTARY RESTAURANT OPEN DURING PARTY CONVENTION—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, pursuant to the provisions of Standing Order 43 I ask for the unanimous consent of the House to deal with a case of urgent and pressing necessity.

In view of the fact that the parliamentary restaurant was opened this past weekend coinciding with the Liberal party's convention in Ottawa, and in view of the fact that this was most unusual as the restaurant is not opened on weekends, and in view of the fact that the taxpayers of Canada were asked to subsidize Liberal party hangers-on and government hacks, who judging from the convention registration fee of $100 were quite capable of paying their own way at commercial establishments in the city, I move, seconded by the hon. member for Northwest Territories (Mr. Firth):

That this House condemns the Liberal government's blatant rip-off of the Canadian taxpayer at a time when this same government is calling for voluntary restraint in spending and calls on the Liberal party to reimburse the public Treasury for the amount of the subsidy incurred as a result of the weekend splurge in the parliamentary restaurant.

Mr. Speaker: Is there unanimous consent to the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

CONDEMNATION OF UNITED NATIONS RESOLUTION NAMING ISRAEL AS RACIST NATION—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. Having been present at the opening day of the United Nations in San Francisco and throughout a portion of the proceedings in 1945, I ask leave to make a motion, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That the ganging up of the UN member countries, from Africa in particular and in other parts of the world, to bring about the adoption of resolutions in the United Nations which are contrary to the principles inherent in the charter and which are unjust to the nations against whom they are directed is dangerous to the continued existence, even survival of the United Nations.

And further, that in the opinion of this House the iniquitous resolution passed by the United Nations Assembly last week, and against which Canada cast its vote, which denounced the state of Israel as a racist nation is in the opinion of this House unmerited, untrue and deserving of the unqualified condemnation by this House and by all peoples who believe in freedom and world peace.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The House has heard the terms of the motion. Pursuant to the provisions of Standing Order 43 such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for Prince Albert (Mr. Diefenbaker) moved, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That the ganging up of the UN member countries, from Africa in particular and in other parts of the world, to bring about the adoption of resolutions in the United Nations which are contrary to the principles inherent in the charter and which are unjust to the nations against whom they are directed is dangerous to the continued existence, even survival of the United Nations.

And further, that in the opinion of this House the iniquitous resolution passed by the United Nations Assembly last week, and against which Canada passed its vote, which denounced the state of Israel as a racist nation is in the opinion of this House unmerited, untrue and deserving of the unqualified condemnation by this House and by all peoples who believe in freedom and world peace.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1410)

[*Translation*]

AGRICULTURE

SUGGESTED ESTABLISHMENT OF A COMMISSION OF INQUIRY INTO BEEF PRODUCTION—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity.

Since cattle breeders are in a difficult situation because of the ridiculously low prices paid to them on the market, while city consumers are still paying very high prices, I

move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House ask the Minister of Agriculture to authorize the review board on beef marketing to advise without delay about the means it recommends to do justice to those producers.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

OLYMPIC GAMES

REQUEST FOR TABLING OF REPORT ON FEDERAL FUNDING OF GAMES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of repeated examples of the incompetence of the co-ordinating committee for the 1976 Olympics with respect to the handling of financial arrangements for the games, and in view of COJO's most recent blunder, this time relating to discriminatory hiring practices for hostesses for the Olympic games, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instruct the government to table immediately a report on all funding presently being provided by the federal government to the 1976 Olympic Games, whether under existing government programs or by special arrangement, and that in addition the government table a copy of all correspondence between itself and the Quebec government, COJO or the city of Montreal concerning any additional funding or guarantees which may be made available at some future date.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION—EFFECT OF ANTI-INFLATION PROGRAM ON COLLECTIVE BARGAINING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Prime Minister. He has had a further weekend to reflect on the Post Office situation, and I would like to ask him whether he and his government are now prepared to put before the House a measure to assure the resumption of postal service and also to provide a further period of negotiations.

[Mr. Lambert (Bellechasse).]

Right Hon. P. E. Trudeau (Prime Minister): No. Mr. Speaker. When the Postmaster General was warning the postal unions that this strike might last a long while, he was speaking on behalf of the government.

Mr. Stanfield: Recognizing the emphasis the government has placed upon the importance of free collective bargaining, would the Prime Minister not agree that in adopting his incomes policy, the government has already placed a very substantial reduction on the scope of collective bargaining? Particularly in view of this, is the government not now prepared to consider the great public inconvenience and hardship which is being suffered by the people of Canada through the apparent desire of the Prime Minister and the Postmaster General to let things run their course, come hell or high water and regardless of what may happen to the people of this country?

Some hon. Members: Hear, hear!

Mr. Trudeau: The premise of the question is based on the prices and incomes control measures, and on previous occasions I told the House that these measures by themselves were not meant to remove the right of collective bargaining.

Mr. Stanfield: Is the Prime Minister agreeing that this does remove the right of collective bargaining? Does the Prime Minister not agree that these compulsory guidelines, where they apply, of necessity limit the scope of collective bargaining and therefore make a mockery of continuing a long standing and long continuing interruption of an important service to the Canadian public in the name of free collective bargaining, which does not exist under these controls?

Mr. Trudeau: No, Mr. Speaker, I am afraid I cannot agree with that. The House has heard the Postmaster General and government spokesmen indicate that unions and management should bargain as best they can and adhere to the guidelines, and if there is some doubt in their application, it would be up to the Anti-Inflation Board to intervene after the fact. We still think that collective bargaining should go on in this country, and that unions and employers should take the responsibility of reaching the best possible agreement under the new guidelines.

STRIKE OF INSIDE WORKERS—SUGGESTION LEGISLATION BE PASSED REQUIRING SUPERVISED VOTE ON GOVERNMENT OFFER

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the refusal of the union leaders to put the government's offer to the membership, is the government prepared to pass special legislation under which a government supervised vote will be conducted to determine whether the rank and file union members really are against accepting the government offer? Does not the public interest and

the principle of democracy within unions demand such action?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member has put forward a proposition which might be worth considering at a later date, but for the time being I think it would be premature for the government to intervene and tell the unions how they should run their business.

STRIKE OF INSIDE WORKERS—REASON FOR REFUSAL TO LEGISLATE AN END TO THE STRIKE

Mr. John A. Fraser (Vancouver South): I wonder if the Prime Minister is thinking of Easter as the proper date.

A few minutes ago at a press conference the Postmaster General stated that there was, and I quote: "nothing more to negotiate." In view of the fact that further negotiations will therefore be useless, why does the government still refuse to legislate an end to the strike?

Right Hon. P. E. Trudeau (Prime Minister): The question seems somewhat rhetorical. Strikes have happened before, and government has not always legislated an end to those strikes. Strikes are an economic weapon used by one side in the bargaining process, and the natural course for that weapon is to run its course against the members. When we find that it hits the public even more strongly than the right to free collective bargaining, that is the point at which the government intervenes.

POSSIBLE REOPENING OF MAIL BOXES—REQUEST FOR ESTIMATE OF AMOUNT OF MAIL THAT WILL BE MOVED

Mr. John A. Fraser (Vancouver South): The government has in the past said that the time to intervene is when no further useful negotiations would take place.

May I put a supplementary to the Postmaster General, Mr. Speaker. At a press conference a few minutes ago the minister said that mail boxes will be reopened. Can he tell the House how much mail will be moved in relation to the normal volume or is this just window dressing?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, that will depend to what extent the public uses the mail boxes!

An hon. Member: Are you talking about the canine public?

Mr. Mackasey: I might remind the hon. gentleman the position he is now taking is diametrically opposed to the one he took when the firefighters at Vancouver airport were off work illegally.

* * *

ENVIRONMENTAL AFFAIRS

LEVEL OF SULPHUR DIOXIDE EMISSION RESULTING FROM SYNCRUDE PRODUCTION—GOVERNMENT ACTION TO REDUCE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The government acknowledged last week that while some $100 million has been spent on the Syncrude project it does not yet have representation on the heretofore non-existent board of directors that is ultimately going to manage that project. In the absence of the Minister of the Environment and in view of the fact that recent reports indicate that sulphur dioxide emissions from the Syncrude plant when it goes on stream in late 1978, will be roughly seven times greater than that which the use of present technology would produce, and in light of the fact that this sulphur dioxide is dangerous to human health and its effects will be spread over a number of provinces, can the minister assure the House that the government, by whatever means, direct or indirect, will not permit Syncrude to proceed with production as long as this level of emission will result therefrom?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to take this opportunity to correct the misconception in the preamble of the hon. member's question. I did not indicate that the federal government was not part of the ongoing planning and project management of the Syncrude project. I did say they did not now hold a position on the board of directors but there is a Canadian federal presence on the management committee which is in fact the project management operation.

As to the second part of the question, I am sure the hon. member would want to address that to the Minister of the Environment. Quite clearly, he has indicated a major problem and one about which the government is very concerned.

Mr. Broadbent: Mr. Speaker, a supplementary question. I assume the minister must know the answer, although he is not the Minister of the Environment. Was the issue of the level of pollution by sulphur dioxide and related to that the control procedures to be implemented by Syncrude, brought before the management committee to which the minister referred, and on which the federal government does have representation? Was there discussion and if so, what was the position taken by the federal government representatives on that committee?

Mr. Gillespie: Mr. Speaker, I think this question should be referred to the Minister of the Environment.

● (1420)

Mr. Broadbent: Mr. Speaker, does the minister say—I do not ask this argumentatively—that the cabinet has not decided on this matter, that, therefore, he does not know the government's position, and that is why he refers the question to the minister who is not in the House?

Mr. Gillespie: Mr. Speaker, I referred this matter to the Minister of the Environment because that minister is responsible for the environmental area in question.

[*Translation*]

POST OFFICE

STRIKE OF INSIDE WORKERS—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Postmaster General.

Considering that collective bargaining between department officials and union leaders ended nearly one week ago, could the minister advise the House as to the current situation after the negotiations broke off and indicate how many post offices are now providing services to the public? Could the minister bring us up to date on the situation which has developed since last Friday?

Hon. Bryce Mackasey (Postmaster General): Yes, Mr. Speaker. I think that at least 87 post offices are now open throughout Canada. This compares favourably with last Friday, when only 40 were open. We intend to serve the Canadian public, even in small communities where people have as many rights to be served as those living in larger centres like Montreal and Toronto.

* * *

[*English*]

OLYMPIC GAMES

SUGGESTION THOSE WHO WEAR EYEGLASSES NOT HIRED AS GUIDES—REQUEST FOR ACTION AGAINST DISCRIMINATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question was for the Minister of National Health and Welfare. Perhaps the acting minister or the parliamentary secretary can answer. Can parliament be assured that it is not the policy of COJO, or anybody else for that matter connected with the Olympic Games, to discriminate against guides to be selected for the Olympic Games only because they happen to wear eyeglasses? Will the minister repudiate that obviously insensitive, sexist and outrageous statement?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, as the minister, I think, will want to answer this question, I shall bring it to his attention.

Mr. Fairweather: Mr. Speaker, I am sorry the parliamentary secretary cannot make up his mind. May I direct a supplementary question to the Minister of Labour? Will the minister undertake as head of his department to make sure that such an outrageous statement or idea, no matter by whom perpetrated, is repudiated by the government of Canada?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, yes, I will be happy to consult with the Minister of National Health and Welfare and have both departments look into the matter.

[Mr. Gillespie.]

AGRICULTURE

EGGS—REASON FOR PRICE INCREASE

Mrs. Ursula Appolloni (York South): Mr. Speaker, in the absence of the Minister of Agriculture, may I direct my question to his parliamentary secretary? Considering CEMA's assertion on November 4, 1975, "that the pricing for eggs in this country is at the present time based primarily on a cost of production factor formula", and considering that today's *Globe and Mail* informs us that the cost of production seems to be coming down, can the parliamentary secretary tell the House why the price of eggs went up one cent a dozen this week in Toronto?

[*Translation*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Canadian Egg Marketing Agency sets the average cost of eggs over four weeks. In addition to feeding, other factors must be considered such as salaries, interest and all other indirect expenses.

* * *

[*English*]

EXTERNAL AFFAIRS

SUGGESTED WITHDRAWAL FROM UNITED NATIONS PROGRAMS IN VIEW OF RESOLUTION NAMING ISRAEL RACIST NATION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Further to the excellent motion introduced in this House by the right hon. member for Prince Albert, can the minister assure the House that the government is, indeed, prepared to withdraw from the Ghana conference, and perhaps the decade against racism program, should the United Nations general assembly not alter its position on the vicious resolution passed earlier this week?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, replying to the question raised by the hon. gentleman, if Zionism is to be an object of UN activities relating to racism, it will clearly and manifestly not be possible for Canada to play its proper role in such activities. I say this with regret, because racism is one of the scourges of our time, one which, in its genuine application, we are prepared to join other countries in resisting.

Some hon. Members: Hear, hear!

Mr. MacEachen: However, we are not prepared to associate Canada with a judgment in which the presumption of innocence is denied and for which we do not believe evidence would be found which would justify the decision reached by the General Assembly of the United Nations has reached. As our permanent representative said at the United Nations, the resolution on zionism is not only objectionable in itself, but also taints two other resolutions which we would otherwise have whole-heartedly supported both in voting and in action. I refer, of course, to the resolution on the decade on racial discrimination and the

conference against racism to be held in Ghana two years hence. We have, with great regret, voted aginst both resolutions because of the overall poisonous effect the adoption of the resolution on Zionism would have on the operation of these resolutions. We have to consider very carefully the participation of Canada in any activities that would flow from the adoption of these resolutions. That, of course, applies to the conference at Ghana and the decade on discrimination.

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[*Translation*]

SUPPLY AND SERVICES

ARRANGEMENTS FOR DELIVERY OF FAMILY ALLOWANCE AND OLD AGE PENSION CHEQUES IN VIEW OF POSTAL STRIKE

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Supply and Services.

In view of his reply last Friday on the postal strike, that all welfare cheques could be delivered through an urgency program, that he would invite hon. members to become acquainted with it, may I ask him what bearing this urgency program will have on family allowances and old age security cheques with a view to their being delivered to all concerned?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the urgency program for the delivery of socioeconomic cheques, the old age pensions more particularly, and the family allowances cheques, is operating now and provides for the gradual taking over of normal postal services as soon as they become available. As for the details of the program, an invitation was sent to all hon. members to attend a briefing tomorrow, on a regional basis, with a view to asking their participation in improving the program and helping with its implementation.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATION ONE TENDERER FOR CONCESSION AT MIRABEL ATTEMPTED TO GET POLITICAL CONTRIBUTIONS—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Justice. Is the minister aware of details of attempts to extract money for political contributions and even control of the enterprises involved in the case of at lease one of those parties which tendered for concessions at Mirabel? If so, has he been checking on this matter?

Hon. Ron Basford (Minister of Justice): As the hon. member knows, Mr. Speaker, he has referred certain documents to the Solicitor General, the Minister of Transport and to me. These have been referred to the appropriate law enforcement officers of the Crown who are taking action on them. We have not had a report from those law officers.

Mr. MacKay: I take it from the minister's answer that he will be inquiring further. I might tell him that I have access to photocopies of cheques which may be significant in this regard, particularly since they were dated—

Mr. Speaker: Order, please.

Mr. Basford: Mr. Speaker, the hon. member raised in his question a rather important point. If he has any material, I would ask him to submit it to the RCMP.

* * *

● (1430)

INCOME TAX

TAX POSITION OF SKY SHOPS' SHAREHOLDERS WHO CONTRIBUTED SHARES TO SENATOR GIGUÈRE

Mr. Walter Baker (Grenville-Carleton): I have a question for the Minister of National Revenue, Mr. Speaker. Could the hon. gentleman inform the House whether or not he has bothered to concern himself with the tax position of those stockholders and directors of Sky Shops Export Limited who contributed to the package of 5,000 shares for the honourable Senator Louis Giguère. If so, has he come to any conclusion in this matter?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, in the interests of protecting the confidentiality of information received by the department, even if we had looked into the matter we would not make a statement until it became public information.

Some hon. Members: Oh, oh!

Mr. Cullen: It seems appropriate that if we are conducting an investigation we should keep it quiet.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—ALLEGED PROVINCIAL MONITORING OF FEES OF LIMITED NUMBER OF DOCTORS AND LAWYERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the light of statements made by the Prime Minister that it would be useless for unions to negotiate pay increases larger than those permitted by the guidelines because they would all be taxed away, I should like to ask the right hon. gentleman whether he could confirm that in the discussions federal government representatives are having with the provinces in connection with guidelines for professional fees the federal government representatives have indicated that it is their intention only to monitor the 5 per cent of the doctors who have opted out of medicare and those lawyers who are members of firms where there are ten or more lawyers in the firm?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of such a development in negotiations with the provinces. When I met the premiers they indicated they would do their best to live by the spirit of the guidelines. They have had time, now, to examine them in more detail and I am not aware of any development along the lines mentioned by the hon. member.

ANTI-INFLATION PROGRAM—SUGGESTED IMPOSITION OF SURTAX ON INCOME IN EXCESS OF GUIDELINES

Mr. David Orlikow (Winnipeg North): Since, if this program is to have any success, it must appear to the people mostly concerned, those who earn wages and salaries, that it is equitable, that they are not being asked to make sacrifices which people with much higher incomes, self-employed professionals, are able to make, would the Prime Minister look into this question, check what his representatives are proposing, and consider the imposition of a 100 per cent surtax which he seemed to be suggesting when he was talking about taxing away incomes for workers which are more than the guidelines would permit?

Right Hon. P. E. Trudeau (Prime Minister): Perhaps I should correct an impression which the hon. member has probably gathered through incomplete reporting of what I said on one particular occasion. I indicated there were three ways in which recipients of incomes in excess of the guidelines might be separated from that income. One way, in the case of salaries, would be to take it back by means of deductions from the monthly payments. Another way would be to take it away directly from the salaried persons themselves. It is in that sense I might have used the word taxation in a loose, though, I believe, clearly understandable way. The third method would be to take the excess directly from the employer if the employer were responsible for the settlement over the guidelines. So it is really only a partial view of things to suggest I was embarking on the surtax route.

Mr. Orlikow: In view of the fact that self-employed people are themselves the employers, should not the kind of restriction which the Prime Minister has suggested as applying to people earning wages and salaries be applied to self-employed people, and would not the simple way of doing this be by imposing a 100 per cent surtax so that those who are restricted to a 10 per cent increase would know that professionals, doctors, lawyers, engineers, would not get more than the 10 per cent increase which the Prime Minister thinks is fair?

Mr. Trudeau: The hon. member is suggesting a technique which various provincial governments will, no doubt, want to examine. If he refers to the white paper—I am returning to his first question today—he will recall that we put it to the provincial governments that they should act in the area of rents and professional fees. They have chosen to do so—

Mr. Broadbent: Mr. Speaker, you know that in practice professional fees can only be regulated nationally.

Mr. Trudeau: The hon. member might ask a supplementary.

Mr. Broadbent: Yes, sir!

Mr. Knowles (Winnipeg North Centre): This is not the Liberal convention. It is the House of Commons.

Mr. Trudeau: Mr. Speaker, I do not mind taking a supplementary now if you would allow it. If you would ask the leader of the NDP to supersede his backbencher, I will deal with it and then return to the backbencher who has been humbled by the intervention.

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POST OFFICE

STRIKE OF INSIDE WORKERS—REQUEST FOR PROGRAM TO ASSIST BUSINESSMEN—GOVERNMENT POSITION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct my question to the Postmaster General. It arises from the present state of negotiations between the government and the postal union, the union negotiators being prepared to bargain and the government saying that its offer is a final offer. Is the government now prepared to consider a program designed to assist innocent third parties whose businesses and livelihood are affected by the failure of mail deliveries?

Hon. Bryce Mackasey (Postmaster General): I am not unaware of the hardship caused to small businessmen who use the mail. I am pleasantly surprised at the support they have given to me. I suppose they prefer strikes in the Post Office in future to be confined to the legal periods of time rather than illegal strikes every few months. This was the impression given me by one of the recognized leaders in the direct mail business this morning.

It is wrong to presume there is no ground for further negotiation. We can always negotiate certain monetary features of the collective agreement downward or spread it among certain members of the postal union who are not benefitting as much as people in the higher classifications. If that is what they prefer, I would be more than happy to do it.

Mr. Horner: The hon. gentleman has given a good account of the exact state of the negotiations but it seems he failed to understand the purport of my question. Is the government considering making assistance available to innocent third parties who are affected by the inability of the mail to get through?

Mr. Mackasey: That is not a question which I can answer categorically, though I would like to do so, because I am aware that we are dealing, here, with a real problem. I can only say I have had several discussions with people in that particular area to ascertain what type of benefit they would consider the most tangible. If policy is needed in this general area, then I can only make general recommendations to my colleagues.

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URBAN AFFAIRS

CONFERENCE ON HUMAN SETTLEMENTS AT VANCOUVER—REQUEST FOR ASSURANCE OF ADEQUATE FUNDING

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. I believe he has been given notice. Since the minister has been unable to assure Vancouverites that adequate federal funds will be available for Habitat Forum and since the latest issue of Habitat Bulletin, which is

produced by the Canadian Participation Secretariat in conjunction with the Canadian host secretariat of the Department of External Affairs, carries the statement that costs of the Habitat Forum program at Jericho Park in Vancouver "will be paid under a specially created joint federal-provincial scheme", can the minister now assure the House that this statement reflects government policy? Will the hon. gentleman consult with his colleagues so that the residents of Vancouver can be assured of the proper funding for this international housing conference?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I would point out that it is not a housing conference but a conference on human settlements. In answer to the question I can give assurances that there is adequate funding for the completion of the physical arrangements and the programming for Habitat Forum at Jericho Beach.

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IMMIGRATION

ALLEGED ILLEGAL POLITICAL ACTIVITY OF CHILEAN REFUGEES IN CANADA—GOVERNMENT ACTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Minister of Manpower and Immigration. In view of the fact that Chilean refugees were obliged to sign a special conditional document disallowing them from engaging in international subversive political activities in Canada before receiving a special ministerial permit, could the minister advise the House whether he is aware that precisely such international political activities are in fact taking place in Canada organized by Chilean leftists and that as recently as September 12 the former Vice-President of Chile, Clodomiro Almeyda, was a speaker at such a rally, illegal in terms of the special permits, which incidentally was chaired by the hon. member for Greenwood.

Some hon. Members: Oh!

Mr. Jelinek: If the minister is aware of these circumstances is he prepared to deal with the illegalities as they relate to his department?

● (1440)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this is the first I have heard of it.

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EXTERNAL AFFAIRS

ALLEGED INVOLVEMENT OF CUBAN DIPLOMAT IN POLITICAL ACTIVITY OF CHILEAN REFUGEES—GOVERNMENT ACTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a supplementary question which I will direct to the Secretary of State for External Affairs. In view of these illegal meetings that are taking place, could the minister advise the House whether or not he is aware that at least one foreign communist aligned diplomat, Rafael Reyes, an officer in the consulate of Cuba in Toronto, is involved in directly supporting and assisting the revolutionary left-wing Chilean refugee movement in Toronto that is working to overthrow the present Chilean government and, if so, what steps is the minister prepared to take to rectify what could be another internationally embarrassing situation for Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will have to take a look at that question.

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MANPOWER

LAY-OFFS BY FALCONBRIDGE NICKEL COMPANY—GOVERNMENT ACTION TO ASCERTAIN REASON

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and it is possible that the Minister of Labour can also enlighten the House. In view of Falconbridge Nickel Company's announcement last Friday of a two phase lay-off of over 1,000 workers in the Sudbury basin, have either the Minister of Manpower or the Minister of Labour been informed of these lay-offs prior to last Friday's announcement and, if so, has this trans-national corporation given the government any reason or reasons for such insensitive actions?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, any notice of lay-off would be a matter for my colleague the minister of manpower. I am not aware of any contractual obligation coming under the purview of my department but I will certainly look into the matter.

Mr. Rodriguez: Mr. Speaker, I have a supplementary question for the minister of manpower. In light of the fact that Falconbridge's major stated reason for the lay-offs was an alleged softening of world nickel markets, and in view of the fact that the International Nickel Company is not laying off people but, on the contrary, is authorizing excessive amounts of overtime in its Sudbury basin nickel operations, has the minister already asked or does he intend to ask Falconbridge to justify its action in light of this apparent contradiction, especially considering the fact that Falconbridge is maintaining full production in its plants in the Dominican Republic and Norway?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there was no direct conveyance of this information to me in the last few days. I will check with the department to see whether any contact has been made.

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[*Translation*]

AIRPORTS

INQUIRY WHETHER MONEY ALLOCATED FOR INSTALLATION OF INSTRUMENT LANDING FACILITIES AT VAL-D'OR

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is directed to the President of the Treasury Board.

Could the minister confirm to the House the reports in last week's newspapers in northeast Quebec that $1 million had been allocated for reinstalling the instrument landing facilities at Val-D'or airport?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am not directly concerned by this project. As a rule, the announcements are made in the House by the appropriate minister. The President of the Treasury Board has seldom the opportunity to announce the projects himself.

Mr. Caouette (Villeneuve): Mr. Speaker, I have a supplementary for the Minister of Consumer and Corporate Affairs.

Could the minister tell the House whether he wants to look into the announcement published in newspapers that the Minister of Consumer and Corporate Affairs himself has revealed that this amount of $1 million would be earmarked for Val-d'Or airport?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I hope the hon. member will not object to spending such an important amount of money for thousands of fellow citizens in northeast Quebec.

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[*English*]

ST. LAWRENCE SEAWAY

INQUIRY WHETHER TOLLS WILL BE INCREASED

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the great concern expressed by a good many western shippers as well as central Canadian shippers, is the government going to make a ruling or decision on whether or not the St. Lawrence seaway tolls will be increased or will remain the same for the coming year?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there has been no government examination of the question of any change in St. Lawrence seaway rates. There has, however, in connection with the anti-inflation exercise, been a determination that at least for the immediate future no rates ought to be changed except as reflecting changes in cost. Therefore any major review of the rates in the next several months will in any case be precluded.

Mr. Murta: A supplementary question, Mr. Speaker. One of the reasons that the St. Lawrence seaway authority asked that the rates be increased was that costs were going up. Is the minister now saying that there will be an increase up to the 8 or 10 per cent ceiling, or, as a good many shippers have been asking, will the rates be frozen at the existing level?

Mr. Lang: Mr. Speaker, I indicated that no consideration had been given to any change, so for the time being no change whatever is being proposed. I added in addition to that a limitation which would arise out of our current program which would not allow us to go back and catch up past cost problems but only current cost problems, at least in the immediate future.

UNEMPLOYMENT INSURANCE

ALLEGED PREFERENTIAL TREATMENT OF CLAIMS BY LETTER CARRIERS—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Manpower and Immigration responsible for unemployment insurance. Can the minister advise why instructions went out this week to UIC regional offices telling them to make special arrangements to handle claims by letter carriers, and can he tell the House why this particular group is being given preferential treatment ahead of other eligible claimants?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, they are not being given preferential treatment in the sense the hon. member is suggesting. They are fully entitled under the law to unemployment insurance benefits. Wherever we run into a mass situation requiring processing claims and we are aware of it, we try to make special administrative efforts to deal with them. The same thing applied to the General Motors lay-off or any automotive lay-off. I think it only fair to these people that we do this.

Mr. Alexander: Mr. Speaker, that is a very strange answer in light of the postal strike at this time. Can the minister explain why the normal waiting period has been waived for letter carriers, and why at least some regional UIC offices have been told to make sure that these claimants receive their first cheques by Saturday—that is, within 48 hours of establishing eligibility—and in fact to downgrade the claims of other Canadians in order to meet these requirements?

Mr. Andras: That is not the case, Mr. Speaker. There has been no waiving of the required legal waiting period for the letter carriers. That is applicable to them as it is to anyone else. We are simply attempting to expedite claims in what is a mass situation in terms of responding to the need, and we certainly try to do that with any claim.

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EXTERNAL AFFAIRS

SUGGESTED WITHDRAWAL FROM UNITED NATIONS IN VIEW OF PASSAGE OF RESOLUTION NAMING ISRAEL RACIST NATION

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. In view of the resolution that opened proceedings in this House today, which was passed unanimously by the House, regarding the vicious acts on Monday in the United Nations, will the government consider withdrawing from the United Nations and working with other nations of goodwill in establishing an organization of nations that will restore the UN covenants of peace and justice in the international community?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I want to make it clear that it is my view that, in approving this resolution, the members of the United Nations who voted for it have made a mockery of the principles and purposes for which the United Nations was created. However, in this imperfect

world we see no substitute for the United Nations at the present time, even though we may vigorously disagree and denounce the action or decision which it has taken, and this is what we do in this particular case.

However, as I have stated in reply to the question addressed to me by the hon. member for St. Hyacinthe, we will not be in a position to play a proper role in United Nations' activities if Zionism becomes an object of these activities, particularly in any relationship to racism. For that reason we are and will be reviewing that action we ought to take with respect to the resolution that was adopted in connection with the decade against discrimination and the conference on racism to be held in Ghana two years from now.

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● (1450)

FISHERIES

POSSIBILITY OF DISCUSSIONS WITH FRANCE WITH REGARD TO LOCATION OF ST. PIERRE-MIQUELON AS RELATED TO EXTENSION OF FISHING LIMITS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of State for Fisheries. In view of the fact that the minister has been holding continuing bilateral discussions with an increasing number of nations could he indicate if it is his intention to have bilateral discussions with France in respect of fishery matters particularly as they might relate to the geographical location of St. Pierre-Miquelon with regard to fishing rights and the extension of limits.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, conversations with representatives of France did take place during the ICNAF meetings in late September in Montreal and will of course continue. We have some complicated fisheries relationships with France.

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EXTERNAL AFFAIRS

ST. PIERRE-MIQUELON—DISCUSSIONS WITH FRANCE ON DETERMINATION OF OFFSHORE RESOURCE RIGHTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. I do not know whether or not he heard the last question. Would the minister advise the House and the country what progress is being made in the discussions with France as they apply to unilateral or equidistant boundaries between the province of Newfoundland and St. Pierre-Miquelon in the determination of offshore resource rights or the giving of grants in respect of offshore rights, particularly with regard to Canada's position with France as it relates to St. Pierre-Miquelon.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I would have to take that question as notice because I do not have the up-to-date information at my fingertips at the moment.

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON RE-ESTABLISHMENT OF MOVEMENT OF MAIL TRUCKS

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Postmaster General. In respect of the opening of the post offices, would the minister give consideration to re-establishing the movement of mail trucks? I ask that in light of the fact that in the province of Alberta probably only six cities have their post offices fully closed down and all other communities have their post offices open.

Hon. Bryce Mackasey (Postmaster General): Yes, Mr. Speaker, we were discussing that subject with the officials this morning and I will be in a better position to report later during the week.

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INDUSTRY

MICROSYSTEMS INTERNATIONAL—POSSIBILITY OF RECOVERING AMOUNT OF LOAN

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to address a question to the Minister of Industry, Trade and Commerce. It is further to a question put to him last week regarding Microsystems, and the possibility of a public inquiry. I am wondering whether the minister has now had an opportunity to find out about the situation and could he tell us in respect of the $36 million which the government had pledged whether the federal government has now come to an agreement with Bell Northern by which a portion of that has been paid back as full settlement.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, insofar as the loan of $6,729 million for capital assistance was given, this has been recovered in full.

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HOUSING

INTEREST FREE LOANS FOR RENTAL HOUSING—BODY CONTROLLING RENTS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs responsible for housing. It concerns the statement he made last week regarding the interest-free loans available to builders who will create rental housing at rents controlled by CMHC. Can the minister tell the House if these controls are to be exercised by CMHC independent of the Anti-Inflationary Board guidelines and of the rent controls of the governments of the provinces? In other words, are the controls in this sector of rental housing to be set unilaterally by CMHC and if so, at what level?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, this has been the practice under the assisted rental program for the past many years it has been

in existence. This raises a further question of whether it will come under—it will certainly come under the federal guidelines—the provincial programs. This is unlikely. In discussions with the provincial ministers they have said they prefer to exclude this because they realize it has been a compassionately administered program and they are quite happy to see it remain in the hands of CMHC. However, that will be finally confirmed when we meet with the housing ministers later this month.

Miss MacDonald: Mr. Speaker, I wonder if the minister could say at what level these are to be set?

Mr. Danson: Mr. Speaker, no specific level is set. The only increases allowed are those increases which are allowed because of actual costs. They are more tightly controlled than other rentals in return for the rental agreement which we have with the entrepreneur when the original arrangement is made which is renewed from time to time in order to make certain that it is checked up and current. The landlord can only raise his rent with the agreement of CMHC.

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LABOUR CONDITIONS

LAY-OFFS BY CANADIAN PACIFIC AT WINNIPEG—REQUEST FOR REPORT OF INTERDEPARTMENTAL COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister now able to make a report to the House on the work of the interdepartmental committee which he set up to deal with the serious situation created by lay-offs by the CPR at its shops in Winnipeg?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I believe further meetings took place today, the details of which I hope to have for the hon. member before the end of the question period. Perhaps I could fill him in on the details later on in the day.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the minister, either himself or through that committee, look at reports to the effect that the CNR is laying off some of its security personnel.

Mr. Munro (Hamilton East): Yes, Mr. Speaker, I will.

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TRANSPORT

FREIGHT RATES—REQUEST FOR DISALLOWANCE OF INCREASE IN RATES ON CATTLE

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Transport. It is further to some questions asked of him last Thursday I believe regarding a proposed increase in the cost of moving stocker calves from western Canada to Ontario. Has the minister had an opportunity to speak with the Canadian Transport Commission and can he say whether this proposed increased rate of 25 per cent which is to come into effect I believe later this week will be disallowed because it will represent in the year 1975 an over-all increase of about 71 per cent for single-deck cars and 87 per cent for double-deck cars which I am sure is beyond the government's guidelines.

Hon. Otto E. Lang (Minister of Transport): Well, Mr. Speaker, I would hesitate to deal here very specifically with specific rates. Hon. members will be aware there was a freeze on certain rates and that therefore some more rapid than usual increases have taken place. We have already indicated to the CTC that we will expect them to play a role in making sure that the 95 per cent of margin rule is adhered to in the over-all rate setting, and we have been having further specific discussions about the question of how the guidelines are to apply, if at all, to specific rates as distinct from the 95 per cent margin rule.

Mr. McKinley: Mr. Speaker, further to the specific question of rates there is another problem which involves a lot of sick cattle reaching Ontario from the west caused by so many delays in respect of cattle left in cars on sidings. A specific example—and the minister asked for this in answer to one of the questions asked last week—would the CPR car No. 277642 which arrived in Toronto on Friday—at 4 p.m.

Mr. Speaker: Order, please.

Mr. McKinley: —and was not sent out to London until Sunday.

Mr. Speaker: Order, please. The hon. member for Vegreville.

* * *

AIRPORTS

MIRABEL—REQUEST FOR TABLING OF MATERIAL WHICH RESULTED IN LEASE TO SKY SHOPS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to address a question to the Minister of Transport. It is supplementary to the question of the hon. member for Central Nova. Last Friday the Minister of Transport indicated he would examine the material he had affecting the contracts for the Sky Shops at Mirabel, and would determine what might be the best possible technique to deal with the request of the hon. member that the bids be tabled in the House. I wonder whether the minister has had an opportunity to review this information, and whether he can advise the House what action he intends to take in that regard.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there should be no problem at all in the House having information with regard to the bids. The question was rather broader than that and I am not prepared to deal with it.

Mr. Mazankowski: Mr. Speaker, with regard to the specific question, the minister has had five days in which to review the contracts and calculations. Can he now advise the House how long we will have to wait until he will be in a position to present the information asked for by the hon. member for Central Nova.

● (1500)

Mr. Lang: The hon. member is really referring to a rather different issue. The question of the analysis of bids is something I have engaged in prior to the last series of questions in the House on Friday. The question referred to material upon which the analysis was made, and I do not have a report on that.

Mr. Knowles (Norfolk-Haldimand): Mr. Speaker, I rise on a question of privilege. It has come to my attention that on Remembrance Day the customary memorial wreath was not placed in the Memorial Chamber of the Peace Tower of this House. I understand that it has been a custom over the years, and I feel this is a question of privilege relating to all veterans who are members of the House and, indeed, veterans right across this land. If Your Honour feels that this is indeed a question of privilege, I would appreciate it if you would look into the matter to see whether there was any reason this was not done and, if so, report to the House on the matter.

Mr. Speaker: The hon. member raises a subject of considerable importance and, I am sure, sensitivity among members of the House. My immediate information is that the usual wreath was placed there on behalf of the House of Commons, but whether or not such action by the government independent of the House of Commons is customary is a matter about which I am not immediately aware. In respect of the House of Commons, the usual action was taken; therefore, I would conclude that no question of privilege exists. But the hon. member has raised a point which I shall certainly look into and try to get some information on.

Mr. Knowles (Norfolk-Haldimand): I have one more comment to make, Mr. Speaker. I believe it is customary for His Excellency the Governor General to lay the wreath.

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (A) 1975-76

REFERENCE TO STANDING COMMITTEES

A message from His Excellency the Governor General transmitting Supplementary Estimates (A) for the financial year ending March 31, 1976 was presented by Hon. Jean Chrétien (President of the Treasury Board) and read by Mr. Speaker to the House.

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I move, seconded by the Minister of Consumer and Corporate Affairs (Mr. Ouellet):

That the Supplementary Estimates (A), 1975-76, tabled this day, be referred to the several standing committees of the House as follows:

To the Standing Committee on Agriculture:

Agriculture votes 15a, 20a, 25a, 40a, 45a, and 50a.

To the Standing Committee on External Affairs and National Defence:

External Affairs votes: 10a, L15a, L16a, L17a, L18a, 30a, and L36a.

Supplementary Estimates

Mr. Speaker, I have a long list which I believe is before you. I do not think there is any difference in view on the desirability of the references that I am proposing, and perhaps this list could be printed in *Hansard* as if it had been read.

Mr. Speaker: Standing Order 59 makes provision for the presentation of such motions. The House has heard the suggestion of the President of the Privy Council (Mr. Sharp) about including the list in *Hansard* as if it had been read. Shall I dispense with the reading of the list?

Mr. Baldwin: On a point of order, Mr. Speaker. I know it is no fault of the House leader or of the President of the Treasury Board (Mr. Chrétien), but we have just now received the estimates and we have gone into deep shock after noticing the amount of $1,750,000,000. However, since no statement was made by the President of the Treasury Board I will have to reserve my comments until later. I am probably in agreement with the general proposal made by the President of the Privy Council. I cannot say that what he suggested will fit the pattern, but certainly the estimates should be allocated to different committees. We just have to hope that the judgment has been sounder than the amount of the estimates.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I just want to say that there was some consultation about the committes to which these estimates would be referred, and the motion does seem to be in accordance with those consultations.

[*Editor's Note: The remainder of motion is as follows:*]

National Defence votes 1a, 10a and 15a

To the Standing Committee on Fisheries and Forestry:

Environment votes 5a, 10a, 15a, L21a, 25a and 30a

To the Standing Committee on Health, Welfare and Social Affairs:

Consumer and Corporate Affairs votes 1a, 10a, 15a and 35a

National Health and Welfare votes 1a, 15a, 25a, 40a, 45a and 50a

Urban Affairs votes 1a, 10a, 15a, 30a, L35a and 40a

To the Standing Committee on Indian Affairs and Northern Development

Indian Affairs and Northern Development votes 1a, 5a, L21a, L22a, L23a, 25a, 35a, L61a and 75a

To the Standing Committee on Justice and Legal Affairs:

Solicitor General votes 5a, 15a, 20a and 25a

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources votes 5a, 20a, 25a, L51a, L52a, 65a and 70a

Public Works votes 1a, L3a, 5a, 10a, 20a, 35a, 45a and 50a

To the Standing Committee on Regional Development:

Regional Economic Expansion votes 31a and L40a

To the Standing Committee on Transport and Communications:

Post Office vote 5a

Transport votes 1a, 10a, L17a, 20a, 25a, 30a, L35a, 50a, 60a, L76a, 85a, 91a and 105a

To the Standing Committee on Veterans Affairs:

Veterans Affairs votes 1a, 5a, 15a, 20a and L21a

To the Standing Committee on Miscellaneous Estimates:

Communications vote L6a

Finance votes 11a, 12a, L13a and 15a

Industry, Trade and Commerce votes 1a, L36a, 47a and 65a

Labour votes 1a and 10a

Manpower and Immigration votes 1a, 5a, 10a and 15a

Postal Strike

National Revenue votes 1a and 5a
Parliament vote 5a
Privy Council votes 1a, 5a and 15a
Science and Technology votes 5a, 10a and 25a
Secretary of State votes 1a, 5a, 10a, 15a, 20a, 25a, 40a, 62a, 65a, 75a, L80a, 90a, 100a, L105a and 115a
Supply and Services votes 1a, L10a, 15a and 20a
Treasury Board votes 5a and 10a

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

Motion agreed to.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

POST OFFICE

REQUESTED DEBATE ON POSTAL STRIKE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, pursuant to Standing Order 26, I ask leave to make a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration. This specific and important matter is the postal work stoppage which has continued for the past three weeks and is still unresolved in spite of the best efforts of the Postmaster General (Mr. Mackasey) and in spite of assurances of the Prime Minister (Mr. Trudeau) that—

At some time the right of free collective bargaining has to give way to intervention by parliament when we judge that the public disservice caused by a strike outweighs the freedom of the right to strike itself.

The absence of this essential service is creating accumulating hardship for all Canadians, but particularly for those who receive their incomes and revenues by mail, those whose jobs have been terminated because of disruptions in trade and commerce, and those who have lost their livelihood as a direct result of this stoppage; for example, the letter carriers. It has also ended the exchange of mail with other countries, a serious consequence of which is the present and potentially permanent loss of foreign trade.

If acceptable, Mr. Speaker, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House do now adjourn.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Pursuant to the provisions of Standing Order 26, the hon. member has given the Chair notice of his intention to seek consent of the House to set aside a special time to debate the motion that the House do now adjourn for the purpose of discussing a specific and urgent matter, namely, that of the effect of the postal strike.

[Mr. Knowles (Winnipeg North Centre).]

Motions of this sort respecting work stoppages in the country, particularly work stoppages in the public service—especially work stoppages in the public service that have gone on as this one has, for some three weeks—always cause great difficulty for the Chair. There are one or two contradictions which I am sure all hon. members will understand, the first being that since it has been the expressed will of parliament to give to workers in the public service rights that are akin to collective bargaining rights in the private sector, and therefore to include the right to strike, an immediate contradiction is posed if as soon as that right is pursued parliament is asked to consider it as an emergency.

The fact that the right to strike exists presupposes that when a strike in the public service is going to take place it will cause inconvenience of major proportions. Since that is anticipated, it is very difficult to say immediately that the exercise of the right to strike constitutes an emergency within the terms of Standing Order 26.

On the other hand, there is the contradiction that if Standing Order 26 exists for any purpose at all in order to move the House into a special session, surely a three weeks' strike in the postal service must be something which ideally comes within the four corners of that Standing Order, otherwise the Standing Order would not make sense.

The Chair, of course, must wrestle with these two contradictions every time a motion such as this is put in this kind of situation. There can be no question that the effect on the public that is described with respect to the proposed motion is very clear. It is, in fact, always a matter of critical importance when disruption of a national service of the nature of the postal service takes place. On the other hand, the language of Standing Order 26 makes it clear that if there is another reasonable opportunity afforded to hon. members of the House to discuss the matter, then Standing Order 26 ought not to be resorted to.

● (1510)

The fact is that, in the first place, not only today, which is obvious, but almost every day since the postal strike began or since the conflict between the postal negotiations and the wage and price legislation which is before the House began, this subject has formed a substantial part of the question period every day. I recognize that that tends to argue for both sides of the question. On the one hand, it argues that since there is the opportunity to use the question period, which has been taken advantage of, an emergency debate is not necessary; while at the same time it says that since the subject occupies half the question period every day, it is obviously a matter of importance which tends to come within the four corners of Standing Order 26. The fact of the matter is that the longer I go on with this reasoning, the further I get from a conclusion: I realize that.

Some hon. Members: Hear, hear!

Mr. Speaker: In the resolution of the matter I also have to take into account that pursuant to Standing Order 26 only one of the opposition days or allotted days has yet been used in the trimester which ends shortly, and therefore must be considered to pose fairly soon a reasonable opportunity for discussion of this matter. For that reason, and also for another reason which I think is consistent in respect of work stoppages of this sort, it seems to the Chair that in the area of the strike, work stoppage or negotiation itself—however that whole arena is described—as long as there is some activity which might produce a resolution within itself, then there would be resistance—not necessarily refusal, but certainly resistance—by the Chair to have parliament conduct a debate when it is open to speculation whether it would have a beneficial or an adverse effect on the outcome of the proceedings.

The specific activity, to be clear about what I refer to now, is not that talks or negotiations are carrying on, but that there is an obvious activity within the union which I think the Chair cannot ignore. As long as that activity may produce some kind of resolution, at least for the first application which is made pursuant to Standing Order 26, it would be my inclination to allow us to await a few more days' development to see what happens. I am sure that this in no way precludes the hon. member who raised this question today from raising it again two days from now, which is Friday, or at the beginning of next week if the developments in the area of negotiations and discussions themselves take a turn for the worse, or I have an indication that they are not about to bear fruit or to resolve the conflict.

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

POSTAL STRIKE—TABLING OF PETITION FROM SOUTHERN MANITOBA

Mr. Jake Epp (Provencher): Mr. Speaker, I have the honour to present a petition bearing the signatures of 2,862 residents of southern Manitoba. This petition was prepared and gathered by postal employees in the federal riding of Provencher who, along with many other postal workers, feel that the postal strike should end and that members who are presently on strike should be called back to work. The petition reads in part: "We, the undersigned people of southern Manitoba"—

Mr. Speaker: Order, please. The hon. member has leave just to file the petition.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 62, 3,081, 3,203, 3,208, 3,306 and 3,341.

[*Text*]

POST OFFICE—LYNDHURST ONTARIO

Question No. 62—**Mr. Cossitt:**

1. With reference to the answer to Question No. 48 of the Second Session of the 29th Parliament to the effect that the annual rent paid by the government is $5,500 for a post office in Lyndhurst, Ontario, owned by Mrs. Deborah Lawlor, daughter of Area Postmaster, J. S. Hackett, and leased by the government as of May 1, 1973, is the Post Office Department or the Department of Public Works aware that the rental previously paid for a post office in Lyndhurst was $120 per year from 1960 to 1966 and $300 per year from 1966 to May 1, 1973 and, if so, what are the specific justifications for the large difference in rents between the former and present locations, which are both situated on the same street other than the somewhat increased amount in space?

2. Is the Department of Public Works aware that the present rental figure of $5,500 far exceeds the usual rentals in the area in question and, if so, what was the reason this excess was permitted?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Post Office Department and the Department of Public Works as follows: 1. A group postmaster is responsible to provide adequate accommodation for the Post Office he operates and included in his remuneration is a certain amount to help him provide for such accommodation. These amounts are established by collective agreement with the Canadian Postmasters' Association. The Post Office Department does not get involved in the rental arrangements that may be made between a group postmaster and another party other than making certain the premises are satisfactory and centrally located within the village boundaries. In most instances the postmaster owns the premises where the Post Office is located. However, the conditions change substantially when a post office is elevated to Grade status. The Department of Public Works then becomes responsible to provide the required postal accommodation and this is usually provided in a Crown-owned or leased building, in accordance with post office specifications. Our file shows the postmaster at Lyndhurst, who has been in office since January 15, 1966, was renting space (136 square feet of work space plus 55 feet of public lobby) in a building owned by a Mr. Wing. The rental excluded heat and light which the postmaster had to provide. It is possible that his Predecessor, Mr. Fred Barry, postmaster from 1960, who retired on the December 17, 1965, also rented from Mr. Wing. The office remained a Group Office until the October 16, 1970 when it became a Grade 1, following a Unit of Work Survey. Subsequent to this, the Department of Public Works was requested to provide us with a new S.P. 1 building or acceptable rented premises. In accordance with the terms of the collective agreement, the postmaster continued to receive a rental allowance and provided premises under his own arrangement pending the provision of suitable Grade 1 office accommodation by D.P.W. The present postal premises

were provided May 1, 1973. Hereunder is a comparison between the former and present accommodation.

Former accommodation	Present accommodation
Work Space 136′	Work Space 665′
Public Lobby 55′	Public Lobby 92′
Bathroom—none	Bathroom 42′
Mail Lobby—none	Mail Lobby 81′
Lock Boxes—none	Lock Boxes 168′
Night Lobby—none	Night Lobby 92′
	Storage Space 30′

2. The rental rate being paid is in line with recent lease arrangements in the area.

● (0000)

RESEARCH AND DEVELOPMENT CONTRACTS

Question No. 3,081—**Mr. Beatty:**

1. With reference to the contracts described in the twenty-eight Research and Development bulletins published up to and including the July 1975 issue let by the Department of Supply and Services, by department (a) what is the total value of the contracts (b) how many were publicly advertised prior to being awarded (c) what were their numbers and descriptions (d) what was their total value?

2. Of the contracts that were advertised before being awarded (a) how many had more than one bid submitted (b) what were their numbers and descriptions (c) what was their total value?

3. Of the contracts for which more than one bid was submitted (a) which contracts were awarded to anyone other than the lowest bidder (b) in each case (i) what were the bids submitted (ii) by whom (iii) for what reason was the contract not awarded to the lowest bidder?

4. Of the persons or organizations awarded contracts (a) what are the names of any who were previous employees of the government (b) on what dates and for whom did they work (c) what previous work have they done on contract for the government (d) at what cost to the taxpayer were the contracts let?

5. What are the names of contractors or principal investigators who have been awarded more than one contract and, in each case, what were the (a) numbers (b) descriptions (c) values (d) client departments?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The question requires considerable research and the information will be communicated to the hon. member at a later date.

NUMBER OF QUEBEC FIRMS GIVEN INCENTIVE GRANTS

Question No. 3,203—**Mr. Howie:**

How many firms in Quebec were given incentive grants by DREE from April 1, 1973 to September 30, 1975 and how many are not currently operating?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 716 firms in Quebec were given incentive grants from April 1, 1973 to September 30, 1975, eight of which are not currently operating.

DREE—QUEBEC FIRMS IN RECEIPT OF GUARANTEED LOANS

Question No. 3,208—**Mr. Howie:**

How many firms in Quebec had loans guaranteed by DREE from April 1, 1973 to September 30, 1975 (a) what was the total amount of the guarantees (b) how many of the firms are not currently operating (c) what was the total amount of guarantees to the firms not currently operating?

[Mr. Sharp.]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: seven firms; (a) $3,450,000; (b) one firm; (c) $140,000.

PAYMENT OF RETAINER TO HANGMAN

Question No. 3,306—**Mr. Nystrom:**

Does the government pay a retainer to Canada's hangman and, if so, how much has been paid for each fiscal year 1962-63 to date?

Hon. Ron Basford (Minister of Justice): No.

RENOVATIONS TO PRIME MINISTER'S OFFICE

Question No. 3,341—**Mr. Coates:**

On how many occasions since 1968 has the Prime Minister had any of the offices and suites provided to him at public expense (a) renovated (b) refurnished and, in each case, what was the cost?

Hon. Mitchell Sharp (President of the Privy Council): In 1971. See reply to the hon. Member's questions 126 (House of Commons Debates of March 29, 1972) and 2,584 (House of Commons Debates of December 19, 1973).

MOTIONS FOR PAPERS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 56, 58, 60, 61 and 62 are acceptable to the government subject to the usual reservations with regard to confidential documents and the authorization of public authorities concerned.

I ask, Mr. Speaker, that the other notices of motions be allowed to stand.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Wednesday, June 4, consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, when this House adjourned the debate on Bill C-58 last June 4, I was in the process of putting to hon. members

excerpts from the overwhelming response received from my constituents in favour of *Reader's Digest*. Perhaps I should remind the government that on this bill there have been 38 speakers, including the Secretary of State (Mr. Faulkner) who introduced the motion. Of these, only ten speakers have been in favour of the provisions of this measure where magazines are concerned. Moreover, of the eleven speakers from the government side of the House, only seven could be found to support it. Of these seven, one, the former minister of communications, Mr. Pelletier, has resigned from the government and his nominated successor, Mr. Juneau, was roundly defeated in a by-election.

These facts, coupled with the overwhelming protests which hon. members have received from their constituents about the provisions as they concern *Reader's Digest* and its French language counterpart in Canada, are a clear and straightforward indication of the immense unpopularity of what the government is trying to do with the magazine portion of this bill. What is the government trying to do? Its stated purpose is to help the Canadian magazine industry. It has used as its guiding principle the special Senate report on the mass media. This inquiry drew attention to two major problems. The first was the overflow circulation of U.S. magazines which have never been published in this country but which sends copies across the border to be sold on Canadian newsstands. *Reader's Digest* does not fall into this category. The second major problem as identified by the special Senate committee is the intense competition for advertising revenues among radio, television, newspaper and magazines.

Let me give this House some figures on this subject. Magazines coming from abroad circulated approximately 182,000,000 copies in Canada in 1974, according to the audit bureau of circulation reports. This compares with approximately 418,000,000 copies of Canadian magazines, not counting the circulation of *Reader's Digest* and *Time*. The 418,000,000 figure includes the circulation of mass circulation magazines like *Maclean's* and *Chatelaine*, the *Weekend Magazine* supplements and the controlled circulation consumer magazines. It does not include the wide variety of business and trade magazines put out by Canadian publishers. From these figures it can be seen that Canadian magazines outnumber magazine imports by better than two to one. Thus, the Senate special committee was able to report that most magazine publishers in Canada do not think of overflow circulation as a primary problem; it is simply part of the environment.

Where advertising revenues are concerned, the picture is a little different. In this competition, newspapers are the big winners. Of the approximately $1.5 billion spent on advertising in Canada, newspapers took $458 million in 1974—the last year for which there are figures—television took $225 million, radio took $176 million and those magazines with which Bill C-58 is concerned took a mere $37 million. The share of magazines amounts to a mere 2.3 per cent of the total spent in Canada on advertising. On this point, the Senate special committee said the following:

● (1520)

> Magazine publishers are painfully aware of the competition for advertising revenues from other media. It is a scramble between radio, television, newspapers and magazines for available advertising dollars and for the attention of audiences. Between 1954 and 1968, magazines' share of total advertising revenues dropped from 4.2 per cent to 2.4 per cent.

Bill C-58 does nothing to tackle either of these major problems, as pointed out by the Senate special committee. On the contrary, it proposes to weaken the industry by denying advertisers an important magazine medium. It will force them further into television, radio and newspapers to get the audiences they need. This will weaken the magazine reading habit amoung Canadians, create a monopoly for the Maclean-Hunter group of consumer magazines, and force a magazine that has honourably published in Canada for the better part of 30 years into a critical loss position.

The Association of Canadian Advertisers has stated that Bill C-58 would—

> —tend to weaken the whole magazine field as a medium in Canada compared to the strength of television, radio and daily newspapers. Past experience has shown that taxes or other financial restriction . . . did not help Canadian magazines but, on the contrary, caused a total loss of advertising lineage in the 12 magazines that were members of the then magazine advertising bureau.

The federal government's own advertising program has not been redesigned to lend strong support to consumer magazines. Data from Elliott Research Ltd. shows that in 1974, of federal government expenditures of $8,873,000 on advertising in six media, daily newspapers received 49.1 per cent, television received 24 per cent, radio received 12.6 per cent, and magazines received 6.1 per cent or a little better than $540,000. So much for the government's desire to help magazines.

What is the target of the government's magazine policy? As we know from our mail and the comments of the Secretary of State, *Reader's Digest* is one of the targets. This House hardly needs reminding that *Reader's Digest* has established itself in Canada as a good corporate citizen. It has conformed to every guideline for good corporate citizenship ever produced by a Canadian government. I draw the attention of the House to the new principles of international business conduct issued by the Minister of Industry, Trade and Commerce as recently as July 18 of this year. *Reader's Digest* meets or exceeds all of those guidelines and has done so for many years. More than 30 per cent of its share capital is traded on the Montreal and Toronto stock exchanges. Five out of six of its directors are Canadian citizens of distinction who made public contributions to this country of extraordinary merit.

I think of Dr. Davidson Dunton, the director of the Institute of Canadian Studies at Carleton University, one-time chairman of the Canadian Broadcasting Corporation and the Royal Commission on Bilingualism and Biculturalism, and Mr. Jean Martineau, formerly chairman of the Canada Council. Such men are not going to lend their names to a corporation which does not serve the interests of this country.

Reader's Digest conducts all its publishing operation in Canada. It directly employs, as I said earlier, 500 people in its Canadian publishing operation. Another 1,000 people are indirectly employed in papermaking, inkmaking, printing and distribution. Its magazines are entirely edited in Canada by Canadian editors for Canadian readers. More than 90 per cent of its annual revenues stay in Canada. The Canadian content of its magazines, the equivalent in major

articles to that of major consumer magazines in Canada, is circulated around the world to other Digest editions and can receive an exposure of up to 100,000,000 readers in 13 languages.

The corporation is a Canadian taxpayer, as are all its employees. The company's operations resulted in a payment to the Canadian Post Office in fiscal year 1975 for first, second and third-class mail of $2,774,548. Madam Speaker, that is a great deal of money. I would point out that in the year before they cut back, it reached the amount of $3,900,000. If that is not considered good corporate business and a good deal for the Canadian Post Office and the Canadian government, I do not know what is. Is the objective of this legislation to drive such an operation out of the country? If it is, there can be no doubt in anyone's mind that Canada will be the loser.

The unpopularity of moving against this company is well documented. A Gallup poll released in January of this year, conducted among Canadians at large, showed that less than 1 per cent of the Canadian public wanted the *Digest* to lose its present position in Canada. Research among *Digest* readers showed that 94.5 per cent say that they believe the *Digest* is "serving the Canadian purpose" as defined by the Secretary of State. The same survey showed that 82.5 per cent of Canadian *Digest* readers would disapprove of legislation that disallowed the expenses of advertisers in the *Digest* for tax purposes.

I might point out, Madam Speaker, that a poll of a great many readers in my area showed that a lot of them wanted the magazine. They said they did not think *Reader's Digest* should get an unfair advantage over Canadian magazines, however, by being allowed additional expenses. In other words, they were given the erroneous idea—whether by the press or other means—that there was actually additional revenue available to *Reader's Digest* that was not available to Canadian magazines.

The Secretary of State says that he wants to put *Reader's Digest* on the same footing with foreign magazines coming into the country. What is his reason today? When section 19 of the Income Tax Act was passed in 1965—in those days it was section 12(a)—the Liberal government of the day recognized that the *Digest* had had a prior history of corporate citizenship in Canada unmatched by any other foreign publication. It recognized that this magazine was serving the Canadian purpose and acted accordingly by not deeming the *Digest* to be a non-Canadian periodical. This was unquestionably behind the *Digest's* decision to sell part of its equity in Canada to Canadians in 1968. Its contribution to citizenship has increased progressively from the beginning. Its contribution to our nation's culture has increased also. Some 200 Canadian writers have appeared in its pages in the last ten years. It has developed some distinguished Canadian books.

Bill C-58 will not remove special tax privileges accruing to *Reader's Digest*, because there are not any. The bill will create special penalties that will put the *Digest* on the same footing as magazines like *Playboy*, *Penthouse* and such magazines which appeal to the more prurient interests of their readers. These magazines have never been published in Canada. They have no editorial staff here. They make no attempt to select their material for Canadian readers. They make no investment or commitment to this country. *Reader's Digest* does, and has done in the past. But this bill says to *Reader's Digest*, "sell out." It also says, according to the Minister of National Revenue (Mr. Cullen), "Sell out", and the new owners cannot publish *Reader's Digest* in the form that has made it so popular.

Reader's Digest has specialized from its inception in the republication and condensation of articles that have already appeared in print. It is a digest. That is what its immense popularity is based on. The ability of its editors to select material of enduring interest, in convenient form, is its stock-in-trade. The interpretation of the act by the Minister of National Revenue would make that impossible. It would also deny the *Digest* the right to become a Canadian magazine and operate under its licence even if it did meet the ownership criteria.

How does this happen? The act stipulates that Canadian magazines must not publish under licensing agreements to foreign publications. The *Digest* has such a licensing agreement. It constitutes the company's sole legal right to use the *Reader's Digest* name on the magazines and other products, and to publish material from other *Digest* editions. The licence protects from unscrupulous use the rights and materials of the many authors who write for the *Digest* worldwide. No such licencing clause applies to newspapers, and thus the act applies a double standard in its provisions for newspapers and magazines.

● (1530)

The second key clause contains a similar discrimination. It requires that to be considered Canadian, issues of a Canadian magazine must not be substantially the same as one or more issues of one or more foreign periodicals. Again, no such restriction applies to newspapers. Yet the basis of the *Digest's* worldwide editorial operation is an exchange of articles of international origin and universal interest. Therefore, if the conditions of the act are to be met, a drastic change in the magazine's content and character would be necessary to make *Reader's Digest* selections different from what they are now. If such a change were made, editors of the *Digest* in Canada could no longer include in their editions material drawn from traditional *Digest* sources. No publisher and no reader can properly support such a grave restriction on a magazine's editorial freedoms. Nor should this House. While the licensing and substantially the same clauses remain in the act, there is no practical opportunity for the *Digest* as it now exists to be accepted as a Canadian magazine for tax purposes.

It is said that because of its licence the *Digest* has unfair advantages over Canadian magazines because the company has access at nominal cost to editorial material which is dumped in Canada. By definition, dumping is the importation and sale of a product, virtually unchanged, at a price lower than that charged in the originating country, so enabling a firm to undercut local competition. But Canadian *Digest* editions sell for the same basic price in Canada as in the United States and for a higher price than either of their major competitors, *Maclean's* and *Chatelaine*. Canadian *Digest* advertising rates, for a smaller page, are proportionately higher than in the U.S. and competitive with those of Canadian magazines. Moreover, the content of the *Digest* in Canada is selected by Canadian editors and fully edited for Canada. Dumping is not a factor where the *Digest* is concerned.

The Canadian *Digest's* method of paying for its foreign material is similar in principle to that of Canadian newspapers which subscribe to foreign and domestic news services and purchase rights to that material at less than the cost required to produce it. Readers and publishers thus benefit from the international news relayed by Associated Press, Reuters, and the comics, crosswords and columns provided by U.S. newspaper syndicates.

I should also be emphasized that articles on science, medical health and physical fitness and international news are of great interest to Canadian readers as they are of a global nature and would, of course, be classed as foreign material. None of these could be economically provided without the sharing of cost made possible by multiple use. The same principle applies to *Digest* material that originates in the British, German, Australian, U.S. or any *Digest* edition. The Canadian editions, I am informed, pay a pro rata share of development costs for publishing rights to the material they print. The same principle, quite obviously, applies to the new *Maclean's* magazine to which this bill will give a monopoly if it is passed. The publisher of this magazine, Mr. Lloyd Hodgkinson, said recently in a public statement:

Over the years Maclean-Hunter has built a formidable international communications empire. (Its size and scope may well astonish you. Its size and scope often astonish us). In Canada, we're involved in 101 various businesses, technical, consumer and special interest magazines and newspapers including *Le Maclean*, *Chatelaine*, *Financial Post*, the *Medial Post*; five radio stations; a TV station, cable TV and programming services. In England we produce 12 business and technical magazines. In the U.S. we have eight business journals and three cable TV systems. In South Africa, four magazines and six marketing services. In Europe, we co-produce six media publications in the key cities of Paris, Frankfurt, Milan, Vienna, and as of 1975 we're in the publishing business in Brazil.

These are the resources, Madam Speaker, that are to be put at the disposal of the new *Maclean's*. Is this the tender flower we are being asked to protect with Bill C-58? While looking through the *Globe and Mail* on November 5 I saw further evidence of how tenderly the competitors of *Reader's Digest* need to be nurtured. *Homemaker's* magazine and *Madame au Foyer* expect to become the largest consumer magazine in Canada, at 1.5 million circulation in 1976. The *Globe and Mail* reported that Mr. Edward Gittings, the publisher, said as follows:

—advertising revenue for the three publications—

He included *Quest*

—for the year will exceed $7 million, up 27 per cent over 1974—November issues of the three were the best yet with combined revenues of $1.3 million.

This statement, Madam Speaker, comes from the publisher of magazines started in 1966, 1967 and 1971 respectively. That is not bad, when you consider that the Secretary of State said on May 8 in this House that Canadian magazine publishers have been forced to exist for too long in an economic and psychological climate that has not been conducive to growth or new ventures. I submit that competition with other media not within the magazine industry is the important factor in the uncertain climate to which the Secretary of State referred. I demonstrated this with relevant and indisputable figures. I suggest that the Secretary of State should withdraw that portion of Bill C-58 dealing with magazines and bring forward legislation to tackel the real problems of the magazine industry. It should not be a bill that clearly favours one particular publisher who can boast of an international communications empire that astonishes us.

Now I would read an editorial printed in the Toronto *Sun* of October 30, 1975, entitled "Canadian Content":

The federal government is determined, at any cost to pride and integrity, to be rid of the Canadian editions of *Time* and *Reader's Digest*. In the name of Canadian nationalism—and encouraged by those publications anxious to eliminate Goliath rivals that eat up half the available magazine advertising revenue—a dangerous, hypocritical, shabby act is being perpetrated.

Revenue minister Cullen now says a magazine must have 80 per cent Canadian content to qualify as "Canadian", thus entitling advertisers to tax deductions.

The Toronto *Star* with its knee-jerk nationalism and to hell with competition is all for the regulations. The *Globe and Mail* frets over the principles involves, and doesn't want government ruling on contents of publications. On this issue we are solidly with the *Globe and Mail*. (Why, on some days the *Globe* could barely qualify as "Canadian," so filled is it with material from the New York *Times*, London *Observer*, and *Economist*, not to mention *AP* and *UPI*! And it is a better paper because of its international scope.)

Content of publications is none of the government's business-unless they preach sedition or violence against the state. Government—any government—would love to manage, control, censor and dictate news.

That is true of this government. I continue:

To give any content decisions to government is a step all Canadian should oppose.

Maclean's and *Saturday Night* would like to see competitors removed from the arena. Understandable. Theirs is a vested interest and a conflict of interest. And their views should be ignored. If they can't hack it and appeal to Canadians on merit alone, then they don't deserve to survive. *Time* outselling *Maclean's* in Canada is like the Washington *Post* having more appeal in Toronto than the *Star*. An indictment of the home product.

● (1540)

If Canadian publications improved quality, they'll sell more, advertisers would use them more, and they wouldn't need government protection. What the new rules will do, is guarantee mediocrity in our magazines. Surely we've enough of that already.

I quote from the Vancouver *Sun:*

If there are tears to be shed they are not for two magazines that will, without doubt, continue to provide many of their two million Canadian purchasers—and at least twice as many readers—with a different, American version.

Rather, they are for a country that would allow its laws to be twisted by bureaucratic redefinition to apply to two specific publications, whatever the publications.

I hope that the government will reconsider, and in so far as *Reader's Digest* is concerned will listen to the great majority of the people in Canada who have said loud and clear that they want *Reader's Digest* to continue the same as in the past. They are saying to the Secretary of State, "Mr. Minister, keep your cotton-picking fingers off our magazine."

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, the previous speaker made me think—

Some hon. Members: Hear, hear!

Mr. Broadbent: I can understand the cheering; it is not often that a Conservative spokesman makes me think, but this is one of those instances. He made me think that I do not know of any country in the world which at this point in its history would have this kind of debate taking place.

The essence of this bill, whatever the technical details, is that the government, at long last, is saying it is going to remove the special consideration from foreign-owned and controlled publishing companies. Can we think of any other nation where a majority of the speakers in the democratically-elected assembly of the country would be speaking in favour of maintaining foreign control over a major part of its publishing industry? They are speaking against a legislative measure which does not discriminate against them but puts them on precisely the same basis as any other foreign publication. I find it totally indicative of a colonial mentality that we should have managed to twist and turn this piece of legislation into something that it is not. I do not question the honesty and judgment of the previous speaker, but merely his conclusion. He and others have raised the matter of censorship as being at stake here. That is one of the most erroneous elements brought into the debate.

The government, in this instance, has made an appropriate decision. It is a problem of judgment. The decision is not only that tax benefits are not going to go to the two magazines, *Time* and *Reader's Digest*; the decision has been made to define a Canadian publication as, among other things, meeting the requirement of 80 per cent Canadian content. The purpose is not to stop those publications from being sold in Canada. If that were the case, I would be with the hon. member 100 per cent, because in my judgment that is where the issue of censorship would come in. All it does is remove a publication that does not meet those requirements from getting the same tax benefits as Canadian publications.

In this case, *Time*, and *Reader's Digest* will be in the same position as *Newsweek*, *Playboy* and all the other publications that come from south of the border. That is all. It is not that they cannot come into Canada or that we will put up tariffs to inhibit the free flow of thought. All this bill is saying is that the Canadian taxpayer will not give them a special concession. I agree that it is an element of judgment. How do you make a precise judgment of what is 80 per cent? I agree with the hon. member that there is no fixed and firm rule that will guide the people in National Revenue. However, there are other tax laws in which the element of judgment also plays a role. Frankly, I think the 80 per cent Canadian content rule makes sense if they are to benefit from Canadian tax law.

Where there is a mistake in judgment with regard to a taxation matter, that can of course be serious. There must be the right of appeal and persuasion if there is a wrong decision. However, I want to state categorically that it is misleading to suggest that censorship is involved. That is not the case at all. Publications will be able, and ought to be able, to flow freely into this country no matter what their source.

I am speaking on this, the sixth day of this debate, in the earnest hope that we will be able to vote on this issue today. As I said earlier, I can think of no other country in the world that would conceive of giving special tax concessions to publications owned and controlled outside its borders. The least we can do is to remove the special tax benefit from such publications and put them on the same basis as other foreign publications. Canadians can then read them. Canadians will continue to do so. However, it is time we put them on the same basis as other publications in Canada so that we will get some of the revenue flow from advertising going into genuine Canadian magazines. I understand that about 48 per cent of all magazine advertising revenue in Canada goes to *Time* and *Reader's Digest*. Hopefully, it will find its way into publications that are written, controlled, edited and owned by Canadians. Hopefully, we will then get a better periodical press in Canada which reflects a distinctively Canadian point of view.

Much has been made that legislation will benefit *Maclean's*. I am certainly no great advocate of *Maclean's* magazine or the interests that control it. I will say, however, that as a Canadian-owned and controlled publication, in terms of our tax law it should be different from a publication which is owned and controlled by a foreign operation and is a publication with substantially foreign content. Surely, that is what the legislation is all about: it is nothing more substantial, positive or negative, than that. I cannot understand the mistaken view that this is censorship. That is what a lot of Canadians think. They believe that in the future they will not be able to buy *Time* or *Reader's Digest*. But that is not the case.

I, like other members, have received a lot of mail from both inside and outside my constituency expressing the view that *Time* and *Reader's Digest* should be permitted to continue in Canada. I have written back saying that I agree they should be permitted to continue but that is not the issue. The issue is whether they should continue with special tax considerations that are not available to other foreign publications, and because of this we encourage revenue to go into publications which in my view would be more appropriately funnelled into those presently being generated within our borders.

It is interesting to note that the majority of Conservative spokesman have attacked this measure. I understood from their initial speakers that they would support the bill. It is now evident that they are not going to support it. That is unfortunate. The royal commission set up many years ago by the right hon. member for Prince Albert (Mr. Diefenbaker) recommended that the government remove these special considerations for *Time* and *Reader's Digest*. It was not done then by a Conservative government. It ought to have been done.

● (1550)

I regret the fact that the Conservative party, of all parties, a party which should have a special interest in the traditions of the nation, an interest in Canada forming a serious sense of its own role in the world and of its own past and the creation of its own future, should take the position of defending *Time* and *Reader's Digest* it terms of the tax situation. I would not be very surprised if it were the Liberals. After all, for years they have specialized in selling Canada out to foreign corporations. Nevertheless, in this one area, I am glad to say, the government has decided to remove the special considerations given to these foreign-owned corporations.

I will conclude by saying that I hope this is the last day of the debate, that we can come to vote and that the special privileges accorded to *Time* and *Reader's Digest* will be ended. These magazines will continue to be sold in this country, like *Playboy*, after the legislation has been passed.

People will still buy them and, hopefully, some of the money which is now going into the advertising coffers of those two publications will find its way into Canadian periodicals, not simply *Maclean's* but a number of others located outside Toronto, contributing to the birth of a healthy and vital, Canadian-owned, Canadian-controlled and Canadian-written magazine industry.

Mr. MacLean: Would the hon. member permit a question? It stems from his reasoning, which I followed with a great deal of interest. He argued that *Time*, *Reader's Digest* and other foreign magazines designed primarily for a foreign market should not be granted any tax benefit in Canada simply because they set up plant for the physical productions of their magazines in this country. Would he apply that same reasoning to automobile manufacturers—General Motors, for example—who design a car primarily with the United States in mind and then set up manufacturing plant in Canada? Should these corporations be deprived of Canadian tax benefits?

Mr. Broadbent: The question is an entirely reasonable one and I hope my answer is a reasonable one also. The hon. member has put his finger on two aspects of publishing; first, the location o f plant and, second, the origin of content. I am supporting the legislation because it says that conditions covering each of these aspects have to be met. In the case of the automotive industry, I accept it would be desirable to embody a requirement in the Canada-United States agreement specifying that a certain percentage of the research and development work would have to be done in Canada. In other words, we would not become merely an assembly plant operation. I have stated this publicly on a number of occasions. I, for one, would favour the adoption of requirements to ensure that a substantial portion of the creative part of the industry would be undertaken in Canada. Thus, I believe my position is a consistent one.

Mr. MacLean: And that automobiles should be designed for the Canadian climate?

Mr. Broadbent: Certainly.

Mr. Stan Schumacher (Palliser): Madam Speaker, I should like to take part in this debate for the purpose of opposing the legislation which has been presented by the government. What we have here, to my mind, amounts to non-tariff protection for two or three magazines, primarily *Maclean's* and *Saturday Night*, neither of which I consider makes much contribution to the periodical press of Canada or to the advancement of Canada generally. We have problems in the periodical press industry, but I do not think this legislation is going to solve them. I suppose the basic one is that our population is fairly small and that it is divided into two major language groups. Of our 22 million people, approximately 6 million read in French and the other 16 million do their reading in English. To compound the problem, the English part of the industry is centred in the city of Toronto.

As a result, the product of that industry is not as appealing as it should be to Canadians of the English tongue across the country. It can also be said that the product of this Toronto media centre is probably not too appealing to those who live 50 or 60 miles outside the city. There are many in Ontario who do not feel that Toronto is representative of their aims, desires or feelings about this country. Most Canadians are not concerned about the problems which are discussed on Bloor and Yonge streets.

As far as I am concerned, *Maclean's* claim to be Canada's national magazine is entirely fraudulent. I know they make an apparent attempt to show they have input from all parts of the country. Take, for example, Heather Robertson who has participated in articles for that magazine. She claims to come from the province of Saskatchewan, and I suppose the magazine hopes to impress Canadians by having a Saskatchewan point of view through looking at her output. But I would suggest that when you employ that type of person, she is really ashamed of the area from which she sprang. Some of her output, particularly the book "Grassroots of the Prairies," I would say was written by a person who is ashamed of the area from which she sprang. She brings that attitude toward her writings in *Maclean's* magazine and I think this is one reason it is not as popular as it should be.

Therefore, what we find in *Maclean's* and *Saturday Night*, as the two main English publications in the popular English press, is a rather parochial product appealing to a very limited number of people. It is important for the country as a whole to have access to events abroad, which these magazines have not been very successful in providing us with, and it is important to have the very best type of writing done with regard to our own Canadian affairs. I have always found these things in the Canadian section of *Time* which, I am happy to see, has recently been expanded. I suppose the government can be congratulated in that regard, because if it had not brought forward legislation to encourage improvement, perhaps we would not have seen that expansion. There should be government action to improve and expand avenues to good news reporting about this country and the world at large for Canadians. I think *Time* magazine does an excellent job. *Reader's Digest* also provides this window on the world which is important to Canadians.

● (1600)

Let us look at the product of our own publications. I have with me today the November 17 issue of *Maclean's*, the most recent issue of this newly-structured magazine that now appears twice a month in anticipation of the passage of this bill. It is of interest to note that in this magazine there are in excess of 25 full pages devoted to liquor advertising. I do not often agree with the premier of Manitoba, but I do agree with his recent call for taking away the privilege of allowing as an expense the cost of liquor advertising.

However, I do not know what *Maclean's* would do without all its advertising revenue. Certainly, liquor advertising is the largest single category of advertising in the magazine. Of the 92 pages in the issue, including the four cover pages, over 25 pages are devoted exclusively to the advertising of liquor. This indicates the dominant role which that industry will play in the future of *Maclean's* magazine. I do not think it is a healthy one, one that should be encouraged, yet apparently the government wishes to encourage it by reducing competition from other magazines.

Apart from liquor advertising, the second most common advertisements are those of the travel industry and automobile companies. These are all foreign-controlled, as are the bulk of the liquor advertisers. So who are we promoting? I suppose it could be said that we are promoting the product of foreign companies, and I do not think this is very essential to this country.

In addition to the government being unhappy about effective Canadian ownership of *Time* and of *Reader's Digest*, the government seems to wish to control the editorial comment of those magazines. I think this is a very dangerous step. We have already seen that the government does not mind using its authority to punish those who disagree with it. We have the recent example of the federal government withholding the advertising of its current campaign to reduce the use of energy in the Montreal paper *Le Jour* because it did not agree with the editorial policy of *Le Jour*. Thus, it is not averse to using its authority to back up its own political views.

For the government to demand that the content of a magazine, even though it is owned primarily by Canadians, must be 80 per cent different from that of the parent magazine is a very dangerous step. It seems to me a rather artificial or arbitrary way to act. The decision is a subjective one, as well, because one person's idea of difference may vary from that of another. I do not see how you can say that news or news-based stories should be 80 per cent different from those of the parent publication if one is at all interested in accuracy or fairness in the reporting of news. Also, as the hon. member for Parry Sound-Muskoka (Mr. Darling) clearly pointed out, there will be loss of revenue to Canadians as a result of jobs lost if this measure is successful in driving *Time* and *Reader's Digest* out of Canada.

It is also of interest to note that when *Reader's Digest* came to Canada a certain percentage of our population subscribed to it. This percentage has not changed in all the years it has been printed in this country. I suggest that if *Reader's Digest* were forced to cease publication in Canada, there would still be as many people buying the magazine as before, with the difference that our Post Office would lose several million dollars revenue but would still be required to carry the magazine to Canadian readers. Those who print the magazine in Canada would be out of a job, and if they did not find another job they would become the recipients of unemployment insurance or welfare and would not pay income tax. Neither would the companies. Thus, we would have suffered the loss of what is, in effect, the Canadianization or Canadian view of foreign happenings as presented by very talented people in a way that has not been copied by any other existing journal in Canada.

I should like to close by quoting an article that appeared in the Calgary *Herald* on Monday, October 27, 1975—a paper that is also concerned about this question:

> Government control of magazine content, backed up by changes in the tax laws, is being used as part of an effort to destroy *Time* and *Reader's Digest* in Canada.
>
> That is a very dangerous precedent, even if the aim—to make fully Canadian magazines more viable—is praiseworthy. The regulations are not, strictly speaking, censorship. However, they tend to legitimize a mechanism for government interference in the decisions of a publisher. They also tend to create a climate which discourages vigorous criticism of the federal government—a disturbingly authoritarian government, at times. Donald Macdonald's decision to withhold federal advertising from a Montreal separatist newspaper is significant in retrospect. When a government begins to take measures against publications whose editorial position it dislikes, the habit can quickly become ingrained.
>
> The government's action against *Time* and *Reader's Digest*, admittedly, is not intended to silence voices of dissent. The hope is that stifling these two magazines will enable *Maclean's*, *Saturday Night* and the like to breathe more freely, commercially speaking. But no matter how noble its purpose, a government that sets out to destroy or financially cripple a magazine bears watching. It might develop a taste for blood.

[Mr. Schumacher.]

● (1610)

That is my great fear. Already we have had an example of what this government likes to do concerning people who do not agree with it. I think that if we allow a situation to develop in which editorial content will have to be 80 per cent different in relation to a certain publication, we will have the government imposing itself in an area in which it definitely should not be.

I should also like to point out that I do not see how these things can be considered as concessions. It is said that *Time* and *Reader's Digest* have received great concessions, as if we have been giving them something. I suppose they have concessions so far as *U.S. News Report* is concerned, but they do not have any concessions in relation to *Maclean's*, *Saturday Night* or any other periodical in this country. I do not like the use of that term. They are not on the same footing. I submit that if there were great merit to the product of *Maclean's* and *Saturday Night*, they would be able to compete and they would be in a position to grow in this climate. It has been perfectly obvious over the last number of years that they have been unable to do so. I do not see why the level of journalism should be dragged down to a lesser level just because these are wholly-owned Canadian publications.

There is also the question of what this bill will do in respect of professional journals. This measure could inhibit those publications which are necessary for the development of the country, economically speaking if not culturally speaking. I suggest it is not proper for the government to propose measures the only effect of which will be to drag down the level of journalism in this country and give the government the tools with which to impose control over its people.

Mr. J. H. Horner (Crowfoot): Madam Speaker, in rising to take part in this debate on Bill C-58 one should point out that basically it affects four things.

An hon. Member: Are you for the people?

Mr. Horner: Yes, I am for the people. The great difficulty the present government has is in determining whether it understands the people and whether it is prepared to listen to the people. There is a very significant difference. That party just went through some kind of a conference in which a selected few had the right to ask the Prime Minister (Mr. Trudeau) and their other leaders one question.

An hon. Member: That is wrong. You are talking through your hat.

An hon. Member: You hit a sensitive spot. Keep going.

Mr. Horner: Madam Speaker, I was prepared to make my comments in respect of the bill, but a member has interrupted me. I only point out that there is a question concerning who is listening to the people. That really is the question before the House of Commons today. I suggest the convention of the government party, namely, the Liberal party, at its recent semi-annual meeting demonstrated that it is not prepared to listen to the people. In the time allotted to me I want to demonstrate that the government does not listen to the people in respect of this particular bill.

This bill deals, effectively, with four means of communication. It deals with television stations operating from outside our border into Canada. It deals with daily newspapers operating in Canada. It also deals with *Time* magazine and *Reader's Digest*. First of all, it is regrettable that there is an attempt by means of this bill to deal with four different types of communication all with the same holusbolus attitude. Television stations should be dealt with in the sense of a broadcast means of communication, and should not be compared, with regard to content and ownership, to a newsmagazine. The bill refers to daily newspapers and their ownership. It does not refer to the content but, rather, strictly to the ownership.

I see the minister shaking his head in a negative manner. He suggests that I show him where. I suggest he read the Red Deer *Advocate*, which is one that comes to mind. Yesterday, when flying to Ottawa, I picked up the Calgary *Herald* and found that page after page dealt strictly with foreign news. I could real all about Squeaky Fromme in California, I could read all about Patty Hearst in California, and all about a family in Pennsylvania and their problems concerning one of their children who is ill. I do not complain about having that privilege. However, we are prepared to put through some kind of rule whereby a magazine must be 80 per cent different from another publication, yet we allow the daily newspapers to use UPI and other international news services and publish their news items in identical form in Canada: they are published here in the same form in which they are published in other countries.

To me, the bill is poor at best. It fails to differentiate between the media, and secretly is being used as a guise to censor what Canadians read. Why should it be used as a guise to impose censorship? I do not know. I have always been proud that in this country, because we have a highly educated population, we feel that our people should be in a position to read almost anything that is published. I say «almost anything» because I know there are some literary works which perhaps immature people would be better off not reading. However, I refer to news magazines and family magazines in particular.

One must remember that 20 years ago there was a great fear about communism, and we in this country said the people should read all about Karl Marx and other communist literature because we believed, with our educational process, that the people would sort it out and reach the right conclusions. What is the government afraid of? Why does it feel that censorship is necessary? What is wrong with *Reader's Digest* as a family magazine? I was particularly pleased that *Reader's Digest* was given to my family as a gift when we were first married, over 20 years ago. It has been in the household ever since. I think it gives my children, my wife and myself a look at the world. Some of us are not as fortunate as ministers in the government who travel around and see the world: we have to read about it. We have to read about the various countries and what is going on in them. *Reader's Digest* does an admirable job of printing stories about other countries and it does an admirable job of printing articles which cannot be considered nationalistic in any way, such as articles about the human body and about health. These articles cannot be classified as being Russian, American or Canadian. These are informative articles to which all Canadians should have access.

● (1620)

To lump *Reader's Digest* and *Time* magazine together in one bill is a mistake. *Time* magazine purports to be a news magazine, while *Reader's Digest* is a family magazine. Are we afraid of the competition these two magazines will present to Canadian periodicals? I do not think we should be. *Maclean's* magazine has had tremendous success in the last five years. Its circulation has grown and it now comes out bimonthly. Its circulation in Canada is greater than that of *Time* magazine. In my opinion, however, even in its new edition *Maclean's* does not take the place of *Time* magazine. In this legislation we should not lump the two magazines together.

Reader's Digest has done an admirable job of complying with the ownership requirements of the Canadian government in the past number of years. I am told that in the neighbourhood of 30 per cent of *Reader's Digest* is owned by Canadians, that they print in Canada all the copies of their magazine sold in Canada, and that they print some 200,000 in French for those people who desire to read the magazine in French, whether they be in Quebec or in other parts of Canada.

It seems to me that they make a concerted effort to comply with the real wish of the government that the magazine be owned by Canadians and that the requirement of service to Canadians be complied with in their effort to sell their stock to Canadians and to print their magazine in both French and English. I believe they should be commended, not condemned. To suggest to them that 80 per cent of their content must be substantially different from the content of their magazine published elsewhere would almost prohibit *Reader's Digest* from publishing in Canada and receiving the same kind of break that all other magazines distributed in Canada have, whether it be *Chatelaine*, which might be considered a family magazine in close competition with *Reader's Digest*, or any other magazine.

I do not consider *Chatelaine* to be in competition with *Reader's Digest*. It has a greater distribution in Canada than *Reader's Digest* and does not, or should not, fear the competition. We must believe that competition is good for the industry, not bad, and that competition is good for the reader. In my opinion, in this legislation the government is moving deliberately to curtail distribution of *Reader's Digest* and its participation in the Canadian economy, which the latter has demonstrated a desire to do. I reprimand the government severely for not listening to the thousands and thousands of readers of *Reader's Digest* in Canada.

A moment ago I was interrupted by someone who asked who was listening to the people. I wish the readers of *Reader's Digest* would be listened to by the government. Perhaps one in 300,000 or one in 400,000 agree with Bill C-58, but the rest do not; the rest wish the government would allow *Reader's Digest* to continue its work of serving the Canadian people.

Time is a peculiar magazine. It has been in plenty of hot water in the past. Sometimes it is not too flattering to us, the politicians in Canada, and sometimes we do not particularly like it for that reason. But I think it should be judged on its ability to provide a necessary service to Canadian readers. *Time* magazine has been in my home for so long that I cannot remember when we first began to subscribe to it. It was in my parents' home for so long that I cannot remember the time when it was not around.

Why did I feel I should subscribe to it? It gives a summary of current events in Canada, the U.S. and the rest of the world. I am not ashamed of wanting to read what is happening in the United States. Whether Canadians like it or not, we are tied to that country by something like 4,500 miles of border that separates us. Our trade is closely linked with the U.S. Some 65 per cent of the goods we import are from the U.S. and some 65 per cent of the goods we export go to the U.S. It behooves every Canadian to know what is going on in the United States. We can better prepare ourselves for conditions which may occur here in Canada.

It is sometimes said that our economy lags behind that of the U.S. by around six months; that what is happening in the U.S. will happen here in six months' time. I do not know if it is a rule of thumb at all times, but certainly it behooves any Canadian who wants to keep abreast of world affairs to read not only the Canadian section of *Time* magazine but some of the American content and some of the world content. One might wonder why one should read the Canadian content in *Time* magazine. As a member of parliament, I am supposed to be well informed on Canadian politics. I can honestly say that, apart from reading Canadian daily newspapers, I like to read *Time* magazine where the news is summed up—whether correctly or incorrectly does not matter. On some occasions I agree with them, and on others I do not; nevertheless, they put out the best weekly capsule on current Canadian news that I have been able to read.

I might say that I have subscribed to *Maclean's* magazine for a number of years. It has been the wish of *Maclean's* management to send me, personally, a copy, so that we get two copies of *Maclean's* in my household. *Maclean's* does not contain, yet, a weekly or bi-weekly summary of the news. I could complain at length about the format of the new *Maclean's* magazine, but I do not want to complain about it. The argument here is whether or not it needs protection from *Time* magazine, which receives similar advantages under the Income Tax Act.

It is not amusing for me, as a longtime student of politics, to see the recent trend in the Liberal party. We see the present young minister attempting to bring in protection for Canadian publications, we see the Minister of Agriculture (Mr. Whelan) attempting to bring in protection in the field of agriculture, and we see the Minister of Transport (Mr. Lang) and the Minister of National Defence (Mr. Richardson) trying to bring in protection for Canadians under their jurisdictions.

Mr. Symes: It is almost as if they were Conservatives.

Mr. Horner: Yes, Conservatives of the 1911 era. Some protection was warranted in 1911, 1912 and 1920, but surely it is not warranted today, either in agriculture or in the news magazine field. In my opinion, this whole question has not been adequately aired. I know that one should not use colour, but it is interesting to see that this bill has been piloted by three rather green and naive ministers. The Minister of Justice (Mr. Basford) at one time was involved with this bill. There was the former minister of communications and the new Minister of National Revenue (Mr. Cullen). They are all ministers doing what they are told. Where does this lead us? The Montreal *Star*—

● (1630)

An hon. Member: Oh, oh!

Mr. Horner: Someone said, «Oh», as if he were in pain. The Montreal *Star* is a well established paper in Canada, noted for its Liberal leanings in the past. However, in an editorial it stated the following:

> Whatever the good intentions may be of the framers of this legislation and no matter how far-fetched the idea of such control may appear to be, it is the beginning of a road which has an inevitable end.

The inevitable end is censorship. As I say, the Montreal *Star* is a Liberal paper and it has been for years, but it foresees the dangers of this type of legislation. One can read editorials in all kinds of newspapers, including the Sudbury *Star*. The Sudbury area has not been favoured hunting ground for Conservatives, in any case.

Mr. Nystrom: It is a good NDP area.

Mr. Horner: With regard to this legislation, the Sudbury *Star* carried the headline, «Censorship creeps in 'patriot' guise». I only point that out, Madam Speaker, because Sudbury is the constituency of Mr. Speaker. One could read editorials at length. The Toronto *Sun* stated clearly that it views this bill as a step toward censorship. It went on to say that on this occasion it even agrees with the *Globe and Mail*, and suggests why on some days the *Globe and Mail* could barely qualify as Canadian. That is what I was stating, in no derogatory terms, about a Calgary paper in the earlier part of my speech. However, certainly all the daily newspapers could be taken to task with regard to the question of 80 per cent Canadian content if one really analysed all the daily papers in major cities across Canada. The Ottawa *Citizen* and the Ottawa *Journal* probably have greater Canadian content than any of the other daily papers, but only because of their proximity to the House of Commons.

Let us look at Canadian content in its proper context. What about the national television news? We complain about content in news. By what means is the mind of a young child more motivated or more shaped than television itself? If one watches the 6.30 news, in my opinion it will be found that with regard to Canadian content it is substantially better than the eleven o'clock news. However, from the eleven o'clock news it is interesting to note

that Canadians learn so much about Patty Hearst that she must be some kind of Canadian heroine.

Some time ago one of the proponents of the Company of Independent Canada did a study of Canadian school children. He posed a series of questions to school children and was appalled by the answers he received and by how often Canadian children were incorrect. Some of those children were as high as grade 12 but they knew little about Canada and Canadiana. Is it the fault of *Time* magazine, or *Reader's Digest*, that young people are so ill-informed about Canada? No. I suggest that young Canadians are not avid readers of *Time* and *Reader's Digest*, although they should be. Young people are ill-informed about Canada because it is not dealt with on the national news on television or by the daily headlines in newspapers. If one were to consider the percentage of Canadian news broadcast every evening on CBC and CTV, one would become alarmed. Little wonder Canadian students are so well informed about whether Patty Hearst is mentally sound or able to stand trial. Why should Canadians know about that? I do not think she is a heroine of any particular cause in which Canadians should become involved. Canadians were well indoctrinated with respect to the Viet Nam war by the national news media.

Mr. Symes: And *Time*.

Mr. Horner: That may be so, but *Time* never covered that story so comprehensively as the national news media. If we are so concerned about Canadian content, let us go where the most persuasive forces are really at work, the national news media, and not to independent television stations sitting along the border trying to be good corporate citizens. I am thinking particularly about a situation in the Vancouver area.

Miss Campbell: Pirate.

Mr. Horner: A pirate is anyone who steals the property of someone else.

Mrs. Campagnolo: And money.

Mr. Horner: Many ideas have been stolen from one political party or another and I am not going to get into the question of pirates, but I believe that many of these television stations are attempting to become good Canadian corporate citizens. It is wise for the Canadian government to lay down guidelines for them to become good Canadian corporate citizens, but those guidelines should not make it impossible for them to be good Canadian corporate citizens—that and is what this bill is doing to *Reader's Digest* particularly, and to some of the television stations operating close to the Canadian border. Certainly, exceptions will have to be made for daily newspapers such as the Red Deer *Advocate* and a couple of others operating in Canada.

The minister should fully explain why the government wants this legislation. If the government does not explain it any better than it has to date, it will have failed. According to the people I have been listening to, the government has failed to convince them. It has failed to convince the news magazine business.

I am not arguing the fact that the government has failed to convince *Maclean's* magazine. That magazine would like to get *Time* out of the road; then it would have a monopoly. Who would be better served by a monopoly? Just recently the Minister of Transport said he believed in competition in the transportation field, and when he is not throwing Air Canada to the wolves he leads us to believe that he is going to give CP Air some advantages it has not had until now because of the theory of competition. Yet here we have another minister acting in a directly opposite manner by attempting to force *Time* magazine out of business and making it more costly for *Time* to produce its Canadian version, because he wants to be rid of competition. He wants to help *Maclean's* magazine, and I do not doubt that Peter Newman and company will favour him in the next election—and his leader, whoever that might be. I suppose that *Maclean's* will go down in history as a Liberal rag. I hope its future is brighter than that. I hope it will continue to publish in spite of good competition from *Time* magazine.

● (1640)

I think *Time* magazine does publish a Canadian version. They pay specific attention to Canada on six or eight of the front pages, and that is worth something. Canadians should be entitled to read those six or eight pages as well as some news from the United States and other parts of the world, just as we are entitled to view happenings from all over the world on our late night television news. We know more about the dispute in Northern Ireland than our proximity to Ireland warrants. The nightly news programs became tired of that issue and aired another. They follow trends. I suppose we will now get a large dose of Australian parliamentary problems, and maybe we should; I am not complaining about it.

My complaint is that in this legislation the government is attempting to prohibit me, my constituents and people across Canada who think as I do reading about these events in *Reader's Digest*, *Time* magazine or the Red Deer *Advocate*, or seeing it on the TV stations. They are all attempting to become good corporate citizens and for one reason or other have found it an advantage to become established at or near the border.

When the legislation goes before the standing committee and witnesses are called, I hope the minister in charge of it will listen to them. As a result, perhaps he will bring in different legislation which will not lay him open to the charge of censorship. I like the minister, Madam Speaker, and I do not think he wants censorship. I think he owes it to himself and his constituents, however, to attempt to remove that stigma. In a free country, censorship is perhaps the most damning accusation that could be levelled against anyone.

Mr. Faulkner: If it were true.

Mr. Horner: The minister says, «If it is true.» He agrees with me that it is the most damning accusation that can be levelled against anybody, if it is true. That is the strange thing about politics, though; it is not what is true but what is believed to be true. I read that the Sudbury *Star* believes it is censorship, the Toronto *Sun* believes it is censorship. The Montreal *Star*, the Toronto *Sun*, the Vancouver *Sun*, the Moncton *Transcript*—all those newspapers perceive this minister as the minister of censorship. Why go across

the country holding his hand aloft and saying, «It is not true; believe me, please.» Why does he not listen to the people, study the bill in committee and then agree that changes should be made, that *Time* and *Reader's Digest* should be separated and that television stations should be viewed in a different light. The minister would do himself a tremendous favour. He is a young man and new to politics. Many of us had high hopes for him until he became the minister of censorship. In a free country, one cannot go far with that kind of label. He is perceived as one who is directing Canada down some strange path in wanting to censor what we and our children can read and see.

I suggest that if this bill passes and this minister remains in office, we will see the national television news regulated to a greater extent than it is today. The Global television station already complains about the stringent rules they have to meet because of financial difficulties. I suggest the daily newspapers will be next, then the national television stations, and soon reading material will be smuggled in—other than obscene reading material which I have never agreed should be distributed in any case. That is what I see ahead under this young minister. I believe this is dangerous legislation and should be widely debated in this House and in committee, where witnesses should be called. I hope the minister and his colleagues will listen to the people and adjust their stand in accordance with the criticism that has been levelled at this piece of legislation.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, my intervention in this debate shall be very brief. I hope that the debate in future will be as brief as my statement. I point out that Bill C-58 originated in a notice of ways and means tabled on April 17, 1975. That notice of ways and means was concurred in on April 18, 1975, and the bill was given first reading on that day. The bill was debated at second reading on May 8, 16, 20 and 26 as well as on June 4 and, of course, today.

It is the government's opinion that the issues raised by this bill would be best resolved after full committee hearings. I was very happy to hear this view expressed by the hon. member for Crowfoot (Mr. Horner). Consequently, I have discussed with my counterparts the question of completing the debate on the motion for second reading and reference to committee of Bill C-58 and I am obliged to report that agreement could not be reached, under the provisions of Standing Order 75A or Standing Order 75B, in respect of proceedings at the second reading stage of Bill C-58, an act to amend the Income Tax Act. Therefore, in accordance with Standing Order 75C I hereby give notice that at the next sitting of the House I shall move that not more than five additional hours shall be allotted to the consideration and disposal of proceedings at the said stage of the said bill.

Mr. Horner: Closure on censorship.

Mr. Jake Epp (Provencher): Madam Speaker, the honourable member for Crowfoot (Mr. Horner) labelled the Secretary of State (Mr. Faulkner) as the minister of censorship. Now the President of the Privy Council (Mr. Sharp) has risen and placed closure on the House of Commons on a censorship bill.

[Mr. Horner.]

Mr. Faulkner: It is not a censorship bill.

Mr. Epp: That is exactly what he has done; he has said that this House will no longer have an opportunity to debate and to present the views of Canadians in this House. The young member for Assiniboia (Mr. Goodale) asks if two weeks' debate is not enough. I say that if the people's representatives here want to speak on the bill and they have representations from their constituents, they have the right to express them in this House of Commons, no matter what the hon. member for Assiniboia says. I say to him, "No, two weeks is not too long."

● (1650)

By saying it will bring in closure, the government is telling this country, «We will introduce censorship. We want to control the press, say who shall and shall not publish news, and what you may or may not read.» You must admit that the government is honest: it is doing what it said it would ever since it introduced Bill C-58 earlier this spring. It intends to control news coverage in this country. Already, by allowing the CRTC to control the content of our television programs under the mistaken guise of nationalism, it is controlling what every Canadian is entitled to see. Now the government wants to close debate, to ram this bill through the House. Would it have done this between 1972 and 1974 when it was a minority government? Would Bill C-58 then have been forced through the House?

Mr. Nystrom: The NDP held the balance of power.

Mr. Epp: But you blew that, son! Now the government is to use its majority to force the bill through on second reading. This is a sad day for the people of Canada. Hon. members may say that our fears are groundless, that we are hoisting false danger signals. We are not. We say it is dangerous for the government to be involved in censorship and to say what we can and cannot read or see. Now, when the country is enduring for the fourth week a national postal strike and hearing the government explaining its restraint program, we are debating this particular issue the outcome of which will determine if certain magazines are to have the right to exist. On top of this, the government seeks to invoke closure. Where are the government's priorities? This is a sad day for Canadians.

Mr. Paproski: A shameful day.

Mr. Epp: The government unabashedly admits it is willing to close the debate. It will not listen to our representations; it will do as it jolly well pleases. Has not almost every member of this House received letters from average Canadians who support the continued existence of *Reader's Digest* and *Time*? Do these letters not ask us not to impose closure? I submit that almost every hon. member has received such letters which are overwhelmingly in favour of the retention of *Reader's Digest* and *Time*, and oppose Bill C-58. But the government will not listen. I challenge government backbenchers not to remain silent but to speak and tell us they are concerned about the implications of Bill C-58. Let them speak their true feelings.

Mr. Paproski: They are afraid.

Mr. Epp: Why are they afraid? I will tell you, Mr. Speaker. They fear that the Prime Minister (Mr. Trudeau), in his annual bestowal of parliamentary secretaryships and other goodies, will pass them by.

Mr. Paproski: He does not even do that any more.

Mr. Epp: Consequently, they remain silent. How will the 80 per cent content rule affect Canadians? How will it affect our daily newspapers?

Mr. Paproski: They will be next.

Mr. Epp: I am concerned, as I am convinced that the government's action could involve the censorship of our daily newspapers. They receive news stories from United Press International, which is not a Canadian news dispensing service, from Reuters, from independent writers and from Canadian Press. How is the content of some daily newspapers to be 80 per cent different from, say, that of their counterparts in the United States? For example, must the content of a Windsor newspaper be 80 per cent different from the material printed in some newspaper across the river, in Detroit? At present, the 80 per cent rule affects only *Reader's Digest* and *Time*. But when will it affect others? After all, why should not the government, which will close this debate, not take the next step?

What about television? Let me tell hon. members something that happened in my riding. For several years, near one extremity of my riding, people were able to receive the television signals of station KCND, situated near Pembina, North Dakota. That was the only television signal available in the area. What happened? Suddenly, that television station was called a pirate. Why? It was situated in the United States and was beaming signals into Canada. Manitoba advertisers were advertising on that television station and people in the southeastern part of the province picked up the television signal. What happened? The hon. member for Skeena (Mrs. Campagnolo) called the station a pirate, said it took our money and was against it. I point out that the CBC did not provide service in the area.

Mrs. Campagnolo: The CBC could provide service if it had more money.

Mr. Epp: Let me tell you what happened. Certain influential people said that television KCND was siphoning away Canadian advertising dollars and that advertisers on that station should not be able to deduct their expenses for tax purposes. In the end, the television station was sold. Another station, CKND, beamed programs from Winnipeg; only the call letters were changed. In the end, southeastern Manitoba was without television coverage. Station KCND had been called a pirate. After all, it was American and we were not to watch it. It was sold. So far the CBC does not provide television coverage, either in English or French, and the CTV network does not cover the area. In the end, we presented two petitions, one to the Secretary of State, who answers in this House for the CBC, and one to the CRTC. What were we told?

Mr. Paproski: Tell us.

Mr. Epp: We were told, yes, we could get coverage. But before hon. members leap for joy, let me tell them when it is to be. In 1978 there is to be an application and—just perhaps—we shall be given television coverage by 1980. I raise this issue to show what government interference can do. The same can happen under this bill. I will not mention what is happening to cable; that is another topic.

The question is, if *Reader's Digest* and *Time* in their present forms are discontinued, will Canadians buy more Canadian publications? Is that the way to build the Canadian publishing industry? Clearly, a magazine's major competitor for advertising revenue is not another magazine; it is the other forms of the media. I suggest that radio and television siphon off a much larger proportion of advertising dollars than some hon. members are willing to admit.

● (1700)

When making a comparison with other countries we find that magazines in Canada receive a smaller percentage of the total advertising dollar than those of other industrial nations. In Canada, this is approximately 2.3 per cent of the revenue generated by advertising, in the United States it is 6.5 per cent, in the United Kingdom 8.5 per cent, in France 16.8 per cent, and in West Germany 27.9 per cent. I sincerely question whether the Canadian publishing industry has in the past been publishing the type of material Canadians want to read. In a free enterprise system such as we have, whether or not you are going to sell a product depends primarily on whether people are willing to buy it. They will only buy your product if they feel it is useful or will enhance their quality of life.

I believe Canadian magazines today are not struggling because of *Time* or *Reader's Digest* but because Canadians, individually, think those magazines are not worthy of their support to anywhere near the degree the magazines expect. Legislating *Time* and *Reader's Digest* out of existence does not guarantee that the revenue will go to other Canadian magazines. Quite likely, a lot of it will just dry up. A larger amount will go to other of the media, such as television, if the CRTC does not have a hand in that. If the CRTC is the watchdog of Canadian television, why does it not say to these terrible multinational corporations that the NDP spout about so often, that this is non-Canadian content and therefore should not be used for tax purposes? This can be carried to ridiculous extremes.

What is needed is a Canadian publishing industry that will develop its own magazines in the way that other businesses develop. It should promote the sale of its product and build a reputation over the years. That is how to sell a product; it is not done by asking the government to legislate you into existence by legislating someone else out of existence. In particular, closure should not be used to bring them into existence.

What about the contribution made by *Reader's Digest*? I believe it has made a very significant contribution to Canadian writers. Stories by Canadian writers have appeared on a frequent, regular basis. For example, Farley Mowat, a writer from Newfoundland, is known right across this country. I believe this is partly because of the coverage he has received in *Reader's Digest*. In addition, Canadian writers receive recognition through the international connections of *Reader's Digest*: it publishes in many countries.

Canadians view *Reader's Digest* as an asset. I believe it is part and parcel of Canadian life. I want to bring out a point that I think is important. When I was teaching high school, *Reader's Digest* was one magazine that could be used for extra reading material. It was particularly good for those students not receiving any other magazines or daily newspapers. I believe *Reader's Digest* has made a real contribution. It is something that Canadians want. They subscribe to it. Why, then, do we have to have such a narrow point of view and say that it is wrong and anti-Canadian because it does not fly the Canadian flag? I cannot understand the government, and this minister in particular, having to resort to closure to say that this is the way it has to be.

The government should listen to the Canadian people. It should listen to those of us in the House of Commons who have been listening to our constituents. Is the government listening? I believe not. Surveys have shown that 75 per cent of *Reader's Digest* readers would be disappointed if the Canadian edition were no longer published. It has very high credibility among its readers and subscribers. Of those polled, two-thirds said they would disapprove of legislation that would make it economically impossible for *Reader's Digest* to publish a Canadian edition.

Reader's Digest is a family magazine. There are very few such magazines on our newsstands today. There is a profusion of «skin» magazines on our stands. Smut is imported and spread across the length and breadth of this country. People with young, impressionable minds are able to buy those magazines, most of which are foreign. However, the minister has not taken any action against them. He has not decried the fact that they exist. He argues that a person should have the right to read and see anything he chooses. However, when it comes to this family-oriented magazine, he says no. Surely the minister has a clearer view of life than that.

As a family magazine, the standards of *Reader's Digest* have always been high. I seriously question what the minister is trying to prove by legislating it out of existence. The minister has asked the executive officers of *Reader's Digest* to prove that they are serving the Canadian purpose. I presume the minister means they are to show that they are part and parcel of Canada's economic fabric, that they are making a significant contribution and are good corporate citizens.

Statistics have been cited. Possibly they bear repeating, especially now that the government has said the debate will end after five hours because the opposition has forced them to stand still on this question. At the present time, *Reader's Digest* directly or indirectly employs 1,500 Canadians. Most of those employees live in Quebec. I ask, «Where are the Quebec members on this issue?»

● (1710)

Mr. Roy (Laval): Not in the Conservative party.

Mr. Epp: You are saying you do not mind that your constituents will be unemployed, unable to find employment.

An hon. Member: But where is Wagner?

[Mr. Epp.]

Mr. Epp: You are saying that it is of no consequence. My hon. friend from Saint-Hyacinthe (Mr. Wagner) has probably spoken on this issue, while you do not have either the ability or the intestinal fortitude to do so.

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member should address the Chair.

Mr. Epp: Excuse me, Mr. Speaker. Thank you for the reminder. I needed it, and members opposite needed to be bailed out. It has been pointed out that *Reader's Digest*, as far as direction and management are concerned, is overwhelmingly Canadian. Five out of its six directors are Canadians. Its president and all its officers are Canadian. It has some 600 Canadian shareholders. What about investment? Substantial investments have been made in Canada. I have already pointed out that this publication has helped many Canadian writers. All these things considered, we say the government is taking an entirely negative attitude when it seeks to legislate *Reader's Digest* out of existence here. One can only wonder at the mentality of members opposite when they bring forward this type of legislation at a time in our history when so many things are going on which make us fear for our future.

We hear it said that *Reader's Digest* and *Time* benefit from tax privileges which Canadian publications do not enjoy. But take the case of any businessman operating in Canada today. If he buys equipment or goods from another country, none of us has ever suggested that the money he spends in so doing should not be deductible for tax purposes. I refer hon. members again to the case of the television station in Pembina, North Dakota, to which I drew their attention. It by no means follows that advertising will go to *Maclean's* or *Saturday Night* if this legislation is passed. Of course, *Maclean's* is in favour of this bill. It has a vested interest in its passage. Is the government trying to tell us that *Maclean's* is more sensitive to Canadian needs than *Reader's Digest* or *Time*?

An hon. Member: Yes.

Mr. Epp: Is that what they are trying to tell those who live somewhat east of Toronto the good, that *Maclean's* is the only expression of Canadian nationalism?

An hon. Member: The best.

Mr. Epp: Is that what you are trying to impose on us?

Mr. Gilbert: Is that a rhetorical question, or do you want an answer?

Mr. Epp: I have the answer; it is to be found in the intent of Bill C-58. It is quite clear. Yes, *Maclean's* is to be the voice of Canada's magazine industry. One gathers this from the bill as well as from the lobby that *Maclean's* has mounted, one which is as well organized, one might say, as the lobby organized by *Time* and *Reader's Digest*; it has been well organized in both cases. Granted the corporate offices of *Time* and *Reader's Digest* are not in Canada, but since when has it become illegal in this country for a company other than a Canadian company to do business here as long as it obeys the laws of Canada? Is this the way to build Canadian nationalism, by legislating it, or a form of it?

My last question concerns the subject of censorship. Members opposite will say that this is not a bill which imposes or implies censorship.

An hon. Member: What about closure?

Mr. Epp: We already have closure. This is censorship. Let us take a look at what Canadians, particularly Canadian editors, are saying. It is they, I submit, who are most informed about the power of the press, the power of the mass media, to influence the opinions of Canadians. It is they who are, possibly, more aware of the dangers inherent in this type of legislation than the average Canadian or the ordinary member of parliament. I will begin with the Ottawa *Citizen* and an editorial dated October 25, written by Christopher Young who I believe has certain connections which I do not intend to go into. He wrote this:

It is accepted now in our society that governments should make rules about how much lean meat is in the bacon package, what kind of information is provided on the clothing labels, what safety devices are built into the chassis of a car. It is not accepted, and should not be accepted, that governments will make rules about what kind of material can go into a newspaper or magazine written, edited and produced for the consideration of the public.

The writer continued:

The point is not whether you or I like these magazines or admire their methods. The point is that it is wrong in principle and dangerous in practice for any government to assume power to control the contents of the commercial press.

Reference has already been made to the Sudbury *Star*. The article on its editorial page on October 28 of this year was entitled «Content? Silly, risky censorship.» The Toronto *Sun* of October 30 had this to say:

Maclean's and *Saturday Night* would like to see competitors removed from the arena. Understandable. Theirs is a vested interest and a conflict of interest. And their views should be ignored. If they can't hack it and appeal to Canadians on merit alone, they don't deserve to survive.

What about the Moncton *Transcript*? In a editorial on October 28 the paper had this to say:

The dangerous aspect is that this policy opens the way to control of editorial content in all publications, including newspapers. No doubt there are those in government and in the public service who would be only too glad to muzzle the free press. They know that if the people are to be manipulated, to be made subject to the dictates of those who would be their masters rather than their servants, an essential prerequisite is state control of the media.

The Hamilton *Spectator* has this to say in the first paragraph of an article dated October 25 and entitled «Basic freedom eroded»:

● (1720)

We have said it before and we intend to keep saying it. The federal government's decision to control the content of *Time* magazine and *Reader's Digest* is a dangerous precedent in a democratic society.

The Winnipeg *Free Press*, a newspaper with which I am a little more familiar, in a recent editorial reiterated its position as being small «l» liberal in philosophy. If that paper has been watching this administration for many years I should like to report that it is becoming more and more small «c» conservative.

An hon. Member: You mean big «C».

Non-Canadian Publications

Mr. Epp: That would be even better news to me. In an editorial dated October 28 entitled «Nationalist madness», it had this to say, and I am sure the hon. member for St. Boniface (Mr. Guay) will be interested in this piece of information.

Mr. Guay (St. Boniface): I have read it.

Mr. Epp: You agree with it?

Mr. Guay (St. Boniface): I said I have read it.

Mr. Epp: It reads, in part:

This kind of restrictive legislation serves no good purpose and profits no one; it works only to the disadvantage of the public, which has never been consulted and whose protests are overwhelmed by the self-serving propaganda of publishers, politicians and nationalists.

As for smaller newspapers, the Belleville *Intelligencer*, in an editorial dated November 1, 1975, commented on the services both *Time* and *Reader's Digest* had given, and more specifically commented on the vested interest that *Maclean's* has in Bill C-58. The Calgary *Herald*, in an editorial dated October 27, commented on controlling the press.

It might be said that this is a danger that does not exist, but I suggest that is not the case. I believe hon. members opposite should seriously ask themselves what this bill will do. The bill is now going to be rammed through the House of Commons; debate is to be ended by closure. Is this in the best interests of Canadians? More importantly, I suggest that the result of this kind of action can come back to haunt all Canadians in the future.

It is a sad day, I suggest, for Canadians when legislation of this kind is presented to the House. The Vancouver *Sun* is of the opinion that tears should be shed, not for *Reader's Digest* and *Time* but for some other more fundamental issues that are inherent in Bill C-58. In an editorial dated October 30, it said that tears should be shed for a country that allows its laws to be twisted by bureaucratic redefinition to apply to specific publications. The editorial continues:

They are for a government that believes it is serving people by determining they should read something «different» and allowing a committee of anonymous taxmen to sit down with a ruler and decide, inch by inch, whether it is different enough.

They are for the great many Canadians, albeit a minority, who have been told by their government that they are not mature enough, not discerning enough, not patriotic enough to know their own minds.

And they are for all those who believe that the only way this country can be independent is by being 80 per cent different from everybody else, without realizing that, in doing so, they are accepting that foreign—and primarily American—standards are the only worth while ones against which Canadian achievement can be measured.

The editorial concludes:

The key question, it seems to us, is control over editorial decisions. Whatever criteria are used for establishing that Canadians have editorial control, if that is the goal, it is abhorrent to then suggest that their Canadianism should be perpetually judged against what they do.

Despite the apparent outward levity concerning everything we are saying, I am sure that within their heart of hearts many backbenchers opposite are deeply concerned at what they are being party to today. I hope they will take it upon themselves to go to the minister, to the House leader, the President of the Privy Council, and to the Prime Minister, if they can approach him at all, and place

before those gentlemen their concern, not only at what Bill C-58 will do but at the legislative technique the government is now about to use to bring to an end debate on the second reading stage of this bill.

I sincerely hope they would have the presence of mind to go to those ministers and say, «We were wrong. Withdraw the bill. Let it die a natural death, let it get the decent burial that it does not really deserve, and let us end debate on this question». No good purpose is being served by this debate, so let us get on with other issues of greater importance to this country at the present time, such as the economy and the postal strike, to name just two.

I hope the backbenchers of the party opposite still have some clout in the councils of government and that they tell the ministers on the front benches, who are so out of touch with Canadian life and reality, that this is not an issue with which Canadians are concerned. Canadians do not want to see the passage of Bill C-58. They do not want to see the time of parliament taken up by this debate. Rather, they want to see Bill C-58 ended here and now. I am sure some hon. members opposite want us to continue to debate this bill in the hope that it will be withdrawn from the order paper because it is taking up too much legislative time. I suggest we allow people who want to publish in Canada to do so, and that we allow those Canadians who wish to buy these publications to continue to buy them.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I suppose I have had as much mail as any member of the House on the issue of Bill C-58. From looking at this mail and reading it carefully, I have ascertained there were 352 letters, at the last count, against the legislation and seven in support of it. This is an issue that has gripped many people, and I am very sorry that the government has seen fit not only to gag its own caucus but to bring in closure to close off debate on the bill.

Mr. Paproski: Shame.

Mr. Kempling: It is not only a shame, it is somewhat disgusting. I should like to refer to an article that appeared in the Montreal *Star*, entitled "Incendiary". It had this to say:

> A group of enthusiasts calling themselves the Canadian Liberation Movement lit a merry blaze on Parliament Hill the other day and burnt copies of *Time* and the *Reader's Digest*.
>
> The bonfire, no doubt, was intended to symbolize at once the destruction of a dreaded enemy and the sacred flame of nationalism.

● (1730)

An hon. Member: You should stand up over there and make a speech.

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member for Halton-Wentworth (Mr. Kempling) has the floor.

Mr. Kempling: Thank you, Mr. Speaker. I was reading from an article in the Montreal *Star*. As I said the article is entitled «Incendiary». It reads:

> The bonfire, no doubt, was intended to symbolize at once the destruction of a dreaded enemy and the sacred flame of nationalism. Whether a revitalized Canadian magazine industry would rise, as some believe, from such ashes is decidedly unlikely. Book-burning has an old and dishonourable tradition behind it; Canadians can live, and sustain their culture, without it.

[Mr. Epp.]

I read that article particularly because this is an example of the type of high feeling there is in our country at this time. In my riding, the most prominent daily newspaper is the Hamilton *Spectator*, a Southam publication, a reasonably moderate paper. It ran an editorial in this vein:

> In order to be considered «Canadian», *Time* and *Reader's Digest* should be prepared to surrender heart and soul to Ottawa, federal revenue minister Ronald Basford has decreed.
>
> In what seems to be a blatant attempt to administer the *coup de grâce* to the Canadian editions of the two magazines, the minister now not only wants to clamp controls on ownership but also content.

Then it goes on to describe the nature of the content, and in conclusion states:

> Taking away tax advantages from business and industry which advertise in magazines that are «domesticated» but still have a majority foreign ownership might be a partial answer to the problems faced by Canadian magazines. But, as we have argued here before, in the end it is still the reader who decides which magazine he wants to read. The advertisers will go where the largest readership is, regardless of ownership.
>
> Making things difficult for the competition is no guarantee that «pure» Canadian magazines will suddenly improve in quality and attract all those who now buy *Time* or *Reader's Digest*.

A few weeks ago I was talking to an old gentleman who raised this matter. I asked him how he likes *Maclean's* magazine. He said, «Great». I asked him if he thought the content was good. He said, «Great. Give them a little more time and they will be almost as good as *Time*.» In other words, *Time* to him is the best magazine, and he thought that if *Maclean's* were given a little more time it might be as good. Why should we have to take second best? I have a letter here from a constituent. I wish the hon. member for Oshawa-Whitby (Mr. Broadbent) were here because I am sure he would be interested in this. It says:

> I have just learned of the recent legislation which will seriously jeopardize the publication of one of Canada's finest magazines. This is the rescinding, next year, of section 19(2) of the Income Tax Act which allows Canadian companies to claim as a business expense advertising placed in the *Reader's Digest*.
>
> In this day of trashy publications and second-rate writing, the *Reader's Digest* is a bright and shining star—

This letter goes on at some length; it contains quite a few paragraphs.

An hon. Member: Continue.

Mr. Kempling: You want me to read it all? All right. It goes on to say:

> In this day of trashy publications and second-rate writing, the *Reader's Digest* is a bright and shining star, invariably wholesome, educational and vital. Its scope and appeal are largely dependent on the range of magazines from which it is able to select its outstanding articles. What kind of digest would we be left with if it could glean material only from Canadian magazines? We have two major magazines to choose from — *Maclean's* and *Chatelaine* — and a few more limited ones like the *United Church Observer* — all good publications, but certainly not adequate for a magazine composed entirely of extracts.
>
> After all, many Canadians already subscribe to *Chatelaine* and *Maclean's* as we do, and if *Reader's Digest* had to rely on such repetitive content it would have little appeal.

Then it continues by stating that this is one magazine that is available, above reproach, and so on. The last paragraph reads:

Here is one magazine that is above reproach. So what if there are articles from the American viewpoint? There are also Canadian selections, and English ones, and a good smattering from many other countries. This is what the world needs to bring its peoples into closer harmony. We need to understand various cultures and outlooks, and here they are presented intelligently, along with a wide range of human interest, scientific and historical articles.

It is signed by Rosemary Brown.

Some hon. Members: Hear, hear!

Mr. Kempling: As I say, I wish the hon. member for Oshawa-Whitby were here.

Mr. Paproski: The one and only Rosemary Brown.

Mr. Kempling: I would not say that. All I say is that it is signed by Rosemary Brown. I think we should be realistic and look at the contribution made by these magazines. Let us take *Reader's Digest*. It does $30 million worth of business in Canada. That is considerable. At least 90 per cent of its revenue produced in Canada remains in Canada. It has an investment of something like $8 million in capital assets. Its land is worth a little over half a million dollars. Its buildings are worth $2,700,000. Its machinery is worth $4½ million. It employs about 500 people and provides additional employment for about 1,000 others. We should think what would happen to these people. Can this magazine continue? We have heard that *Time* magazine intends to reduce its advertising rate for Canadians in order to offset the effect of the legislation. So what, really, would the government gain by this legislation?

An hon. Member: They have to look after their «gritty» friends.

An hon. Member: Canadian friends.

Mr. Kempling: When I speak it always seems that several people interject. This is great because it makes speaking at this hour of the evening, when the galleries are packed, very interesting. Thirty-two per cent of the stock of *Reader's Digest* is available to the Canadian people. Five out of six directors, as has been mentioned, are Canadian. I was very interested in the question the hon. member for Malpeque (Mr. MacLean) put to the hon. member for Oshawa-Whitby. He mentioned automobiles and said that if we are doing this in respect of magazines and are insisting on 80 per cent Canadian content, why should we not also do it in respect of products such as automobiles, and so on? The hon. member for Oshawa-Whitby said he thought this would be great. I say we would not have an automobile in this country if we had to rely 100 per cent on Canadian design and Canadian content.

● (1740)

I read *Time, Newsweek, Reader's Digest* and *Maclean's*. I have these magazines at home, where my family looks at them, and after a period of a few days I find that *Time, Reader's Digest* and *Newsweek* are dog-eared but *Maclean's* could go back to the newsstand as it is rarely read. That is their choice; it is for them to read it or not. But if they find other magazines more interesting, so be it.

I am concerned, as other hon. members are, about the content requirements and about some civil servants sitting in an office here in Ottawa with a ruler and pencil deciding just whether there is 80 per cent Canadian content in a magazine or if it is 80 per cent different from the content in the foreign issue of the same magazine. I think that is a backward step and many of the letters that I have received from my constituents have expressed this view. I will go through this pile of letters and select some which I would like to read to the House. I have about half of them here and the stack is about five inches high. I will read my constituents' comments into the record because they have expressed their views and have asked me to express them to the House, which I intend to do.

There is a letter from a gentleman who writes:

This is my letter of protest against the government's bill to remove the special income tax status of advertising in *Time, Reader's Digest* and a number of religious and scientific magazines.

He also sent a copy to the minister. I suppose I find the following paragraph in practically every letter that I receive. He writes:

Specifically with respect to the two first mentioned publications, they have an eminently deserved reputation that results from the quality of their offering and not, in my view, from the special tax standing they enjoy.

In other words, so far as he is concerned he has not been de-Canadianized or de-Americanized by reading these magazines. He finds that they are a source of information to him and he is intelligent enough to judge that information and to treat it accordingly. Another letter from a constituent reads:

We urge you to vote against the proposed government bill to withdraw the tax privilege from *Time* and *Reader's Digest*. We feel this bill is a serious threat to democracy and our tradition of free press.

Another letter is from a little old lady in a senior citizens' home who writes:

Both my husband and myself are quite upset over the action the government is contemplating on taking regarding the *Reader's Digest* Association (Canada) Ltd.

We strongly oppose any action parliament may take against the *Reader's Digest*.

We enjoy reading the *Digest* and feel the articles printed are most interesting and worth while.

We also feel that the possibility of more Canadians becoming unemployed would be disastrous.

Many of these letters are in the same vein. This letter from a lady reads:

In this day of trashy publications and second-rate writing, the *Reader's Digest* is a bright and shining star.

Another letter reads:

I am a resident of Wentworth Lodge. For several years I have enjoyed and read *Reader's Digest*. I would most definitely like to continue doing so.

Could you please direct this letter to the proper department so that possible further legislation would be aware of my views and those of many other Canadians on this matter.

Some of these letters are very hard to read because they are written by elderly people. The following is a letter from a businessman:

I strongly object to the proposal of rescinding section 19(2) of the Income Tax Act. I have been reading the *Reader's Digest* for over 20 years and don't feel that I have been corrupted or Americanized.

I have some letters from students as well. One of them reads:

Non-Canadian Publications

Just a brief memo to express my opposition to rescinding of section 19(2) of the Income Tax Act.

I am writing in support of both the Canadian *Reader's Digest* and Canadian *Time* magazine. I fully believe that both should be allowed to remain as exactly "as is" as both are a credit to their industry and this country.

Some of the messages are very short and to the point. One of them reads:

We find *Reader's Digest* to be quite acceptable in its present form.

Another one reads:

We do not agree with the government's intention to introduce amendments to the Income Tax Act so disallowing as a business expense advertising placed by Canadian companies in the *Reader's Digest*.

That is signed by five or six different people, so obviously they have been talking about it. It is evident that there is a great deal of dissatisfaction, particularly in my riding, with the proposed action of the government, and if the press reports tomorrow that the government will impose closure on second reading of this bill they will have an indication of the warped view of the government regarding the attitude of Canadians. Here is another letter from a senior citizen who writes:

I wish to inform you that I want to be put on record as definitely against any legislative or tax change move that will cause the *Reader's Digest* or *Time* magazine to eventually have to close up here in Canada. They are two of the top publications here in this country, and their loss to the Canadian people would be a hard blow.

There are dozens and dozens of these letters. If I read them all, I would be here until midnight. But you can see the concern that people have in the country on the action of the government in this legislation. I try to take a very broad view of things. I am a Canadian businessman and I am as pro-Canadian as anyone. I have travelled rather extensively in the world and read everything I can get my hands on.

I am afraid that if you couple this requirement for Canadian content, and for content which is 80 per cent different from that in foreign issues, with what we are hearing from CRTC, particularly in the border areas where they are saying to Canadian cable companies that they are to take in the American signal, delete American advertising and dub Canadian advertising in its place, this is outright thievery. Here we have the government telling the cable companies that if they are to continue to enjoy a licence from CRTC, this is what they have to do. Again, this is a form of censorship which they are imposing. I have spoken to some of our Canadian television producers and they are appalled at what the government is doing. I notice that some of the television stations in the United States which are close to the Buffalo area are doing the same as *Time* and possibly *Reader's Digest* will do, that is, offering a reduced rate to advertisers.

We talk about censorship. I look at what we have in the country now. We have Information Canada, with about 2,200 employees, and there are about 1,800 information officers in the various government departments. If you go over to the Press Club across the road, you will find that there are about three members of government departments to every one member of the press. Every reporter in the parliamentary gallery gets a handful of «bumph» every day from the information officers of these various departments, and we wonder why some of the things we see in the House are not reported. They get all sorts of information fed to them, all of it with a bias, unless it is independent information.

When you take this together, you see that *Time* and *Reader's Digest* will obviously be phased out and you see the control in television, of which we see more and more, the growing size of Information Canada, and the 1,800 information officers in the various government departments. It is a pretty horrible thing and a pretty tragic thing to see happening in this country, and it certainly will not give us our present, independent view.

● (1750)

The letters I have received are short and to the point, but some of them are very interesting in their content. I must say that some of them follow the tenor of the letter many of my constituents received from *Reader's Digest*, but many express the concern of those who are upset about this. Some of the people who have come to this country from Europe are concerned about this legislation also. They saw it happen over there. But I do not like to draw that sort of parallel. I do not think we are that far down the road yet, but this is a dangerous step we are taking. It could be accomplished in another way, and I hope that when we get to committee we can amend this bill. I think we can come to some compromise on the ownership issue. I do not think we need 75 per cent Canadian shareholders controlling most companies. I think 51 per cent or 52 per cent is quite adequate. If most of the directors are Canadian, that is adequate, but when we see that there must be 80 per cent Canadian content I just wonder where they are going to get that from.

Other hon. members have mentioned some of our newspapers. If they had to comply with this regulation in the actual news section, if they deleted news from UPI, Reuters and some of the other news agencies they subscribe to, and gave up some of the rights they have with, for example, the Washington *Post* or the New York *Times* and printed only Canadian news, they would be hard pressed to put out a newspaper. I hope that when we get to committee we can really get to the heart of this bill and move some amendments which will make it more palatable and take away some of the concerns which have been expressed to me by my constituents.

As I have said, I have received 352 letters opposing this legislation, and seven letters supporting it. It would be only fair to read one of the letters supporting the position of the government, but I am unable to find it here because it is lost in the papers I have with me. I wish to close my remarks very shortly. I will quote from an article written by Charles Lynch. I will not read the whole thing because it is quite lengthy, but it has some very good content. He says the following:

—what are we to make of revenue minister Ron Basford's decree that, to survive here, the Canadian editions of *Time* and the *Digest* would have to be 80 per cent different from their U.S. parent publications? The . . . regulations make sense only in the context that they are designed to be terminally punitive in their effect, and that what the government is saying is that it wants to drive the Canadian editions of these magazines out of business, period.

Coupled with the insistence on 75 per cent Canadian ownership of the publications, the proprietors of these magazines would be made to attempt compliance, and thus put themselves, their heirs and successors in an editorial straitjacket that any self-respecting journalist would find intolerable.

Time Canada president, Stephen S. LaRue, is right when he says it is unreasonable to assume that news can be manipulated to meet a content formula, though perhaps a better way to put it would be that news can be so manipulated, but at peril to the public weal. Indeed, news is being manipulated in many countries, but Canada has not been one of them, and for us to join the list would be bad business.

LaRue says news is what actually happens, and you can't make it 80 per cent different by official decree.

That is the whole point of this debate. I am sure hon. members opposite have received the same kind of correspondence as we have. I do not believe for one minute that hon. members opposite have been receiving bags full of mail telling them to push this matter forward, to invoke closure, and so forth. I think they have been receiving the same mail as we have, and I hope they will have the courage to say so at committee stage, because obviously right now they are gagged; we have not heard a speaker on this bill from the government side for quite some time. They are obviously gagged and have been told not to speak. That is one of the sad things which happens in this parliament and in many of these debates. We hear some fire from the government, and suddenly someone says, «Shut up. Don't speak any more. Let the opposition do all the talking; the bill will eventually pass.» That becomes a parliamentary tactic. It is sad, on an issue of this type, to see hon. members opposite sit there and not have the courage to enter into the debate.

Mr. J. R. Ellis (Hastings): Mr. Speaker, I suppose that in about two minutes I will be the first to speak in this extended time, our penance for taking time off on Monday. I am not sure whether that is an honour. I really hold no brief for *Time* magazine. In fact, I rarely read it unless I am on a plane going somewhere and it is handed to me. I do not have any real support to express for *Reader's Digest*. I read it regularly and have done so for some 35 years. I remember it from before the time it carried advertising. I enjoyed it then and I enjoy it now.

On the other hand, I want to express a great deal of support for Canadian publications such as *Maclean's*. I want to see Canadian magazines such as *Maclean's* grow and prosper and become better magazines, although frankly sometimes it is a little tough to read a Canadian magazine when the cover and feature story is about an American football player who seems to feel that the greatest thing in Canada is having a good looking blonde waiting in bed for him when he comes home, whatever the time of night, with fresh fruit and that sort of thing.

I am as much a Canadian nationalist as anyone. Recently I took a trip with the Standing Committee on National Resources and Public Works. The then deputy chairman of the committee, who is sitting across from me, will remember this, I am sure. I spent no little amount of time pointing out to the committee that not only did I support Canadian products, but I also supported products from Hastings riding.

● (1800)

For example on that trip my socks, my shirts, my jacket, my coat and even my cufflinks were all made in the riding of Hastings, and those things which were not made there were bought there. I made sure everything was Canadian-made. I wonder how many hon. members opposite go out of their way to make sure every article of their apparel is Canadian-made. Of course, we have a little more incentive in regard to some apparel on this side of the House. I will not mention any manufacturer's name, but we might have greater interest in one brand of underwear. How many people in this House go out of their way to make sure the products they wear are Canadian? If I am interested in making sure the things that I buy and wear are Canadian, would it not be reasonable to think that I want this issue settled in what the government gives us as «the Canadian way»?

The government has not justified Bill C-58 and it certainly has not justified closure on second reading. What possible reason is there for that? I do not intend to go into statistics here. The hon. member for Halton-Wentworth (Mr. Kempling), the hon. member for Provencher (Mr. Epp), the hon. member for Crowfoot (Mr. Horner) and other speakers who preceded me have given all kinds of statistics to justify not putting this legislation through. The hon. member for Provencher read a number of editorials. Frankly, I have forgotten the one that came from Barry McCullough of the Belleville *Intelligencer* in opposition to this legislation. It is not often that he and I agree, but we do this time.

A number of speakers mentioned censorship. I would like to think that is not a policy of the Liberal government and that by and large they would not be in favour of it. If they are not in favour of it, however, why would they impose this bill on us? I cannot see any reason for it. I look to the Minister for an ulterior motive and cannot find any. He is a neighbour of mine and in no way could be called stupid or lacking in imagination. Anyone who says that about someone who has his roots as deep in Belleville as the Hon. Hugh Faulkner is going to have to fight me. We do not turn out that type of person. The Faulkner name is enshrined in Hastings county; what used to be the Glanmore museum was originally the Faulkner house. Why would he bring in this legislation? The question keeps coming back. Why would he impose upon the country the obvious loss of jobs?

Mr. Faulkner: You have to go back to the O'Leary commission to understand why.

Mr. Ellis: You have to go back further than that to understand what you are doing. I am sure the good senator would not countenance this at all. We talk about the loss of the publishing industry and the loss of jobs, in Quebec particularly. I ask, without being partisan, why does the minister wish to impose that kind of income loss on a province from which the Liberal party receives a good deal of support? Surely the Minister of National Revenue (Mr. Cullen) is not overly anxious to collect a few extra tax dollars. Considering the speed with which tax money is spent, I do not think the few extra dollars will last long. That cannot be the government's purpose, nor does the bill suggest it is. The House was told that only 19 per cent of the additional revenue will accrue to Canadian publishers and most of that will go to the Maclean-Hunter organization which, surely, is better able to look after itself than any other Canadian publishing group.

Hon. members may not know that I spent a couple of years publishing a magazine. I was in the concrete business and had a good deal of fun publishing a small quar-

terly magazine. I learned that large magazines like *Time* and *Reader's Digest* enable advertisers to write off the cost of advertising and thus place advertisements in smaller magazines like mine. The publisher of a small quarterly magazine can only attract advertising the preparation cost of which has already been written off. In other words, you can only use advertising which has been used in a much larger magazine and therefore paid for. If large U.S. or Canadian magazines had not paid the cost of creating advertisements—I am talking about photography and all the various costs involved in the preparation of advertising—my little magazine could not have carried well known advertising. The kinds of rates I was charging did not come within a country mile of covering the cost of preparing the advertisements I carried. As I see it, the existence in Canada of larger magazines helps smaller magazines.

A moment ago I talked of nationalism and said I liked to use Canadian products. I now raise a question concerning this government's views on nationalism. For example, why did the government not lend its support to the Brantford Binder Twine Company which a few years ago was able to produce and sell binder twine for between $6 and $7 a bale? The company got into serious financial difficulty because it competed with cheap products coming from Central America and South America. It could not meet the price. The company went to the government and said, «We are the only people in Canada producing this product. Farmers need it and we think you should help to maintain a Canadian identity in this industry.» In other words, it wanted help. But the government said no. It gave no help at all.

The Brantford Binder Twine Company closed its doors and, sure enough, less than one year later the cost of binder twine spiralled up. I have not seen the latest figures, but according to my last information the price has risen to around $25 a bale, or more than 300 per cent above the original price. That only happened because South and Central American interests controlled the product and forced the price up. The Canadian industry whose product had held the price down was allowed to go out of business.

While we consider the subject of this government's brand of nationalism, let me ask why it refused support to a large manufacturing concern in my home town of Belleville? I have mentioned this subject previously in this House and will not dwell on the details. The fact is that the Industrial Development Bank, a government-owned and operated subsidiary supposedly for the support of industry, refused outright to support a Canadian industry in Belleville. As a consequence, it was sold to American interests. In the first year after the American interests were allowed to take over, their net profit was one-third of the amount of money that should have been loaned by the IDB. That is a pretty shortsighted view and it is very difficult to understand when this government is using nationalism as an excuse.

● (1810)

I could go on. An industry in the southeast corner of my constituency closed its doors within the past two months. It was faced with a product from the United States that was being mass-produced there at a cost with which they could not compete. The government was asked to do something about the tariff situation. It refused. As a consequence, some 300 people are out of work. The 150,000 square foot factory is sitting idle. If that sort of thing is the government's reasoning, why, then, this afternoon did it not accept the motion of the hon. member for Vancouver Quadra (Mr. Clarke) to have a special debate on the postal workers being off work? After all, there are small industries in not only my community but others that will be bankrupt before the end of this month if postal services continue to be unavailable.

I know that it is great for the Postmaster General (Mr. Mackasey) to want to fight this union. I suspect that a personality clash is keeping the strike going. I have talked to people in my constituency; they say, «The heck with it. If that is the way they want to be, let them go on strike.» It is easy to hold that view. However, it is not easy when you know that small businesses in all parts of Canada are facing financial hardship. I know of one case where if the mail does not come through within the next week to ten days, they will be bankrupt by the end of this month.

Mr. Alexander: They don't care.

Mr. Ellis: The hon. member for Hamilton West (Mr. Alexander) is probably correct, the government does not care. I must again ask myself why the government would bring in this piece of legislation. If they had brought in legislation that had to do with ownership, it might have been different. However, they say that a publication must be 80 per cent different from the parent magazine. As I said a moment ago, I regularly read *Reader's Digest*. The reason is that it gives me a cross-section of publications from all over the world. If it were 80 per cent different from the one regularly published in the United States, I suppose I would buy the one published in that country because I want to read different points of view from all over the world.

The fact is there will not be a Canadian *Reader's Digest*. I strongly suspect that the Canadian content we now find in that magazine will depreciate measurably. After all, if they are kicked out of this country why should they continue to put in Canadian content? I can think of no good reason. I enjoy the Canadian portions found in *Reader's Digest*. I like to read them, together with pieces from Europe, Australia, Asia, South Africa, South America, the United States, and so on. That is the richness of the magazine, the reason why I like to read it.

If it were an ownership issue, that would be different. I sometimes feel there might have been an attempt to make those two magazines Canadian-owned. But there was no such attempt. The guideline was content, and that is getting into censorship and it is something I cannot agree with. Liberal party policy does not usually embody any particular anti-foreign control attitude. Even the Foreign Investment Review Act which was passed some time ago does not legislate against U.S. take-overs.

Like so many other members, I have received all kinds of mail on this question and the mail is running better than 100 to 1 against the legislation. One letter in particular outlined in strong terms the case against Maclean-Hunter which, as owner, publisher and distributor was keeping certain competitive magazines off the stands. This particular constituent of mine had to import the magazine he wished to read. The fact is, he did import the magazine.

The legislation before us will not prevent people reading *Time* and *Reader's Digest*. The price may go up by 50 cents because they are no longer published here and because there is less Canadian advertising, but whatever the price may be I strongly suspect Canadians will continue to buy these two magazines.

With these considerations in mind, Mr. Speaker, I ask the minister why he has brought this bill before us. What is so important about it that it justifies closure on second reading? What is so important that it should run counter the policy his party has expressed with regard to censorship? What is so important about it as to warrant the loss of so many jobs and so much income in the very province from which his party derives so much of its support? Until we have an answer to these serious questions, I find I cannot support this measure.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I should first apologize to you and to the last speaker for moving between you and the speaker. I know better. I have breached the rule and I can only offer you my apology. I hope you find yourself able to accept it. It is a strange thing that in the world of print we should be telling Canadians what is good for them, whether they want it or not. It reminds me of the time when some of us were a little younger and there were several home cures we were required to take. It took a lot of persuasion and, on occasion, an element of force before the youngster took those remedies. It might have been cod liver oil, or a number of other things. They were certainly not palatable, but taken they were for the good of our health. We now find the government telling Canadians what is good for them. Hon. members can read the bill backwards, forward, or hold it upside down; it still tells us what we are going to read.

● (1820)

It is strange that this should happen, because government is supposed to lead. It is supposed to persuade the people, it is supposed to submit some of its ideologies to the people at election time. It is not supposed to drop on people what has never been mentioned prior to an election and tell them what is good for them. When our scientists at college start to read in their subjects, they read German science, Russian science, British science, French science, even U.S. science. If one were studying philosophy, one would be referred by one's professors to authors ranging from Socrates, and no one would ask the nationality of the author of the article that they were asked to read. They would be told that it was pertinent information to the subject under discussion and therefore they should read it to be properly informed.

If one were to study medicine, one would find oneself finally having to take the Hippocratic oath symbolic of the history and ethics of medicine. One would go from there to what is now considered most modern in medicine on the North American continent, something that is probably getting more headlines than anything else, the Chinese treatment for disease and pain by acupuncture, which in China is as old as medicine and which may be as important as a multitude of other aspects of medical research.

The only field in which Canadians are going to be subjected to an 80 per cent orientation of subject matter is in the printed word and the airwaves of information. We are going to go to the people who most need this information and tell them that castor oil is on their spoon and that they had better take it. The people in my constituency have proven their loyalty to Canada ever since they settled here. They have participated in Canadian affairs, whether they were at home or at war abroad, in a fashion that I think speaks well of them by any measurement of Canadian society. I have had but two constituents say, «I favour this bill», but I have had hundreds of people say, in conversation and in correspondence, that this is censorship, that they do not want it or approve of it. Furthermore, they have continued to say that no matter what we do about advertising placement in Canada, they will continue to subscribe to the foreign magazines they are presently buying. *Reader's Digest*, wholly from the United States perhaps, will still be on their reading table.

At this moment in time *Reader's Digest* is a magazine that is published under certain terms and conditions in Canada. It has a Canadian content. The people of Canada who have been accustomed to reading *Reader's Digest* will continue to read the United States edition—unless the postmaster puts them out of business in the United States too. We are not going to gain anything from laying down new guidelines that we hope will eliminate *Reader's Digest* and *Time* in Canada. We may lose entirely. The government is just rolling the dice and does not know which number will be coming up next. However, my guess is that we will lose rather than gain.

Now, Mr. Speaker, let us look at how the Government of Canada and its regulatory bodies have interfered with the media as an example of what it may do to those who oppose it. Since this bill has been presented I have asked many questions about what people watch on television when they have a choice between Canadian and American television and Canadian and American-produced programs. One can praise the CBC as long as one likes, but the fact is that excluding news and sports items, 95 per cent of the viewing in an area where both Canadian and American television is available is of foreign-produced programs on Canadian networks or on foreign networks directly.

An hon. Member: Shame.

Mr. McCain: Someone says "Shame". I say to that person that the shame is on him, because when free choice goes out the window I am reminded of someone watching a hockey game in Cuba for only 30 seconds and then having the program jammed. We are becoming involved too much in the kinds of controls in countries which have governments which no member over there would support, yet they create the very atmosphere in which it cannot be avoided.

Mr. Speaker, may I call it 6.30?

The Acting Speaker (Mr. Turner (London East)): Order, please. Pursuant to the order made on Wednesday, November 5, it being 6.30 p.m. this House stands adjourned until tomorrow at 2 p.m.

At 6.30 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Thursday, November 13, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

PROPOSED INVESTIGATION OF MISUSE OF MINISTERIAL PERMITS BY CHILEAN REFUGEES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43 I rise to propose a motion in a case of special and urgent circumstances relating to hundreds of Chileans who were allowed into Canada under special ministerial permits and who have held, and continue to hold, meetings, illegal in terms of the permits. Because of the fact that the New Democratic Party of Quebec has organized a fund raising campaign from their headquarters in Montreal, and that certain Cuban diplomats in Toronto, one of whom has been charged with obstructing police, are all working for the movement of the revolutionary left, the armed resistance movement seeking to overthrow the present Chilean government, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Hees):

That the government be instructed to undertake an investigation into the misuse of the special ministerial permits as well as the allegations that foreign sources are using Canadian soil as a platform to carry on international subversive political activities.

Mr. Speaker: Is there unanimous consent for that motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MANPOWER

FAILURE OF FALCONBRIDGE NICKEL TO INFORM DEPARTMENT OF INTENTION TO LAY OFF EMPLOYEES—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, pursuant to the provisions of Standing Order 43 I ask for the unanimous consent of the House to deal with a matter of urgent and pressing necessity.

The Falconbridge Nickel Company of Canada did not give prior notice to either the manpower department or the Department of Labour of its intended two phase lay-off of 1,000 workers at its Sudbury basin operations, and in view of the Provisions of the Canada Labour Code, section 60, division V2 with regard to group termination, which state that if a company is laying off employees it is required to notify the manpower department and the Department of Labour in advance and the length of time is determined by the number of workers laid off: 50 workers, 4 weeks; 100 workers, 8 weeks; 300 workers, 12 weeks; 300 plus workers, 16 weeks, I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House condemns the Falconbridge Nickel Company's action and calls on the Minister of Manpower and Immigration to inform Falconbridge that it ought to withdraw its lay-off notice to its employees or at least to conform to the Canada Labour Code.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

INDUSTRY

REQUEST FOR MEASURES TO REVAMP THE FOOTWEAR INDUSTRY—MOTION UNDER STANDING ORDER 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Given the seriously continuing and even increasing problems facing the Canadian footwear industry, whose share of the domestic market has dropped to less than 46 per cent and whose labour force has dwindled alarmingly, since the flooding of the Canadian market by shoes from low cost-price countries in the last few years is having disastrous consequences, and since the Canadian customs tariff policy needs immediate reviewing because the whole economic situation has changed since the measures adopted by the federal government for the footwear industry in 1973, when the Canadian production was increasing, which is no longer the case, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the House be allowed to discuss immediately the problem of the Canadian footwear industry by assessing the results of the government policy announced in December 1973 and, since it seems that the sector strategy can be efficient only provided there is a Canadian footwear market, that the House consider seriously the four point program proposed by the Shoe Manufacturers' Association of Canada whose aim is to support that sector strategy, in particular through action in the field of duty and quotas on imports.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

HOUSE OF COMMONS

TABLING OF EIGHTEENTH REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the eighteenth report of the Clerk of Petitions presented by the hon. member for Provencher (Mr. Epp) and finds that it meets the requirements of the Standings Orders as to form.

ORAL QUESTION PERIOD

[*English*]

FINANCE

REQUEST FOR ESTIMATE OF BUDGETARY DEFICIT FOR THIS YEAR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance arising out of the tabling yesterday of supplementary estimates in the order of about $1¾ billion. In view of the additional spending and the further supplementary estimates that we will probably receive in due course, will the minister tell the House now what his estimate is of the budgetary deficit for the current fiscal year? I ask him whether he will tell the House because I know he must have that information?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the best judgment we have at this time is that it will be between $5 billion and $6 billion.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What a government!

FORECAST OF TOTAL EXPENDITURES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, since my hon. friend the President of the Treasury Board has got into this I should like to put a question to him. In view of the forecast of expenditures for the current year, which was made in June by the previous Minister of Finance of approximately $29 billion, and in view of the supplementary estimates yesterday which bring the total estimates we have received to date to about $30 billion, a billion more than was forecast by the former minister of finance in June, is the minister still forecasting total expenditures for this year at that same level?

[Mr. Speaker.]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, when I tabled the blue book in February this year I said that the total expenditures this year would be less than 16 per cent above the total expenditures of last year. It is going to be as predicted because those supplementary estimates are quite substantial. There will be another set tabled before the end of the year but all that will be within the forecast we made in February.

Mr. Stanfield: A final supplementary, Mr. Speaker. That kind of penalty killing and skating around may be acceptable in some quarters. It is the kind of evasion that has destroyed the credibility of this government.

Some hon. Members: Hear, hear!

Mr. Stanfield: In view of these evasions and the figures that have been quoted, may I ask the President of the Treasury Board if he would agree that what he said on October 30 in this House, that we are sticking by the budget predictions of June, should be changed to say that it is really the Canadian people who are getting stuck?

Some hon. Members: Hear, hear!

NUMBER AND AMOUNT OF FURTHER SUPPLEMENTARY ESTIMATES—RESTRAINT OF EXPENDITURES WITHIN AMOUNT OF INCREASE IN GROSS NATIONAL PRODUCT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, a supplementary question to the Minister of Finance. Would the minister advise this House if in fact there will be one or two further sets of supplementary estimates filed with respect to this fiscal year? Can he indicate the magnitude of the amount covered by these two estimates?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I just told the Leader of the Opposition that before the end of the fiscal year there would be another set of supplementary estimates. I do not expect to have two more sets before the end of the fiscal year.

Mr. Baldwin: A supplementary question. These advocates of fiscal kleptomania who sit across from us have now come to the situation where they are exceeding the 15 per cent referred to by my head-shaking friend over there, the President of the Treasury Board. As the gross national product this year will not increase more than 11 per cent, will the President of the Treasury Board or the Minister of Finance—I am impartial as to which minister answers—indicate to this House when they intend to restrain their expenditures within the limits of the increase of the gross national product?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I notice that as much as half, if not more, of the expenditures involved in the supplementary estimates tabled yesterday were for the oil price subsidy, medicare and the defence budget. I take it the hon. gentleman's opposition also extends to those programs, and I am happy to note it on the record.

Mr. Baldwin: Answer the question; we are not running the government, but we ought to be.

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBLE PROVINCIAL AGREEMENT ON USE OF SURTAX TO CONTROL PROFESSIONAL FEES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question for the Minister of Finance concerns, in the opinion of many, the lack of effective control imposed on professional incomes under the government's control program and the Prime Minister's attempt yesterday to shift responsibility to the provinces. Has the government obtained agreement from the provinces concerning the procedures for controlling professional incomes and, specifically, has the federal government proposed to them the levying of a special surtax as a means of achieving this end?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I remind the hon. gentleman that the finance ministers agreed at their meeting that decisions with regard to professional incomes should be joint responsibilities of the federal and provincial governments. In that sense, it would be a mistake to describe this as a shift in responsibility. A working party of federal and provincial officials has prepared proposals about professional incomes. This question will be discussed at the meeting next week and we hope that either at that meeting or at a subsequent meeting of ministers of finance, these proposals will receive final confirmation.

Mr. Broadbent: A supplementary question, Mr. Speaker. Since it will be totally impossible for any one, two or three provinces on their own to control professional incomes, as professional people in the absence of a national program would simply move from one province to another, will the minister assure the House that any province's failure to institute a serious program for controlling professional incomes will result in the federal government's imposing such a program on the province which has neglected to do so; and, specifically, will the government put teeth into such proposal by levying a special 100 per cent tax to tax away increases in income beyond the $2,400 ceiling imposed on other Canadians?

Mr. Macdonald (Rosedale): Mr. Speaker, that, of course, is the effect of the over-all program. Without question, professional incomes, like other incomes, are subject to the guidelines and the ceiling to which the hon. gentleman referred. The principal question for discussion is the most effective means of monitoring this. We have proposed to establish, with the provincial governments and professional associations, a standard form of billing which will be reviewed for the purpose of seeing if there has been any violation of the guidelines. We also propose that it shall be mandatory for professionals to file with the Anti-Inflation Board a statement of their professional income, so that it can be seen if in an individual case there has been an excess beyond the guidelines, to which the provisions of Bill C-73 will apply.

Mr. Broadbent: A final supplementary question, Mr. Speaker. The minister having acknowledged before the Standing Committee on Finance, Trade and Economic Affairs on November 7 that what he just said will not apply to professionals if their additional income is earned from "additional effort", or, I would add, if they change the mix of the kind of services they provide and increase income by that method, and as either of these loopholes is open to virtually all professionals, which, as the experience of other countries shows, will make professional income controls totally ineffective, will the minister answer my question, yes, or no. Will the government impose a special surtax on professional incomes, that is, on the total income in excess of the $2,400 ceiling?

Mr. Macdonald (Rosedale): Mr. Speaker, I have already answered that question. Under Bill C-73 that exact régime applies. With regard to any professional person found to have exceeded the guidelines, that is the régime that would apply. The hon. member refers to it as being a loophole, that professional people should not be entitled to get a further return for more effort. I would point out that this is the same provision for blue collar workers on piece rate and for people working overtime. The same exemption exists throughout the work force.

● (1420)

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[*Translation*]

EXTERNAL AFFAIRS

REFUSAL OF FRANCE TO INVITE CANADA TO ECONOMIC SUMMIT MEETING

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in the absence of the Secretary of State for External Affairs, my question is directed to the Acting Prime Minister.

According to the latest news, the new Canadian ambassador to France, Mr. Gérard Pelletier, had not yet presented his credentials to the French authorities while at the same time France simply ignored Canada for the important economic summit in Rambouillet scheduled for the weekend. Considering that this is an important issue, can the minister take stock of this matter and indicate whether Canada intentionally delayed the presentation of these credentials because of the attitude of France concerning the economic conference, to show the French government that Canada and the United States are not the same country but that Canada has its own social, cultural and economic identity?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I have never heard of such innuendo but I shall refer the question to the minister for checking.

DELAY BY AMBASSADOR TO FRANCE IN PRESENTING CREDENTIALS—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a supplementary question. In that case, can the minister tell the House if he knows why Canada has not been invited to Rambouillet? Has not the ambassador, immediately upon assuming his functions, presented his credentials to ensure the presence and the very existence of Canada in France?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): I do not know how the presentation of credentials is scheduled in France, Mr. Speaker, but I shall refer the supplementary question to the minister for his own consideration.

* * *

[*English*]

FINANCE

INQUIRY AS TO RESTRAINTS ON MAIN AND SUPPLEMENTARY ESTIMATES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance or, in the alternative, to the President of the Treasury Board. In light of the Prime Minister's statements and those contained in the white paper as to government restraint on expenditures, will either of the two ministers inform the House whether there were any restrictions or cutbacks from the estimates as published last February or were there any actual restrictions on the estimates contained in the supplementary estimates tabled last week so that restraint becomes a word for this year and not merely some sort of slogan for next year?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, at the presentation of the June budget, we established a program to cut expenditures by $967 million in fiscal year 1975-76. Such cuts were made where projects had been presented after July. We did not announce other measures on October 13. We are now preparing the estimates for next year and we hope to apply this policy further and perhaps make it more efficient for next year's estimates.

[*English*]

Mr. Lambert (Edmonton West): Can the President of the Treasury Board assure the House that any restraint or published figures of restraint with regard to the 1976-77 estimates will not be merely cutbacks on inflated figures that are brought in so that beautiful, healthy cuts can appear to have been made?

[*Translation*]

Mr. Chrétien: Obviously, Mr. Speaker, the hon. member should know that it is impossible to indicate at this time what cuts we are going to make. That will be made clear when the estimates are tabled in the House in early February next year.

* * *

[*English*]

INDUSTRY

SUGGESTED PRODUCTIVITY INCENTIVES—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. As this country does 70 per cent of its export and import business with the United States, and as during the third quarter of this year the United States increased its productivity by no less than 9½ per cent while we continued our steady decline, is the minister planning to introduce in the near future productivity incentives to be paid in direct proportion to increases in productivity so that we do not continue to lose a steadily increasing proportion of the Canadian and export market to better priced American goods?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): It is an interesting proposition. I don't think I can give a short answer to it; I am not sure whether the hon. member is talking about worker productivity or general productivity within a company. If he is speaking of the latter, this has been a subject I have been discussing with industry as recently as half an hour ago when I met with the Canadian Chemical Association. I agree with the fundamental premise of the question, namely, that productivity has to be improved, and we shall certainly use every means we can to do this.

Mr. Hees: I can assure the minister that I am talking about industrial productivity as he assumed. I hope he will make better progress than his predecessors did, because they have been telling me the same sort of thing year after year.

* * *

CRIMINAL CODE

PROPOSED AMENDMENT TO DEAL WITH HATE MESSAGES BY TELEPHONE—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Minister of Justice. It has to do with a despicable practice, a practice which, I believe, Canadians do not want, do not believe in, and, I might add, cannot afford. In the light of the fact that the Attorney General for Ontario wants to crack down on hate messages by having amendments made to the Criminal Code, can the minister assure the House that he is receptive to this very necessary move and that he will introduce very shortly amendments to the Criminal Code in order to prevent this hateful discriminatory practice to which I have referred?

Hon. Ron Basford (Minister of Justice): The Attorney General of Ontario raised this matter with me at a recent meeting of attorneys general in Halifax and I was sympathetic to the representations he made. It is still not clear to me why charges could not be laid under section 231(2) of the Criminal Code as it now reads, but this is a matter which my officials and the officials of the Crown office in Ontario are presently examining. With regard to any prospective amendments, I am awaiting written representations and explanations from the Attorney General of Ontario and I intend to discuss them at a federal-provincial meeting we are holding in Ottawa on December 11 and 12.

Mr. Alexander: I want to thank the minister for that answer. I am sure he is aware that this is an extremely important subject and I hope, with all due respect, that he will show some leadership in this connection; we cannot

afford to have this thing going on as it has been in the past to the detriment of so many Canadians.

Some hon. Members: Hear, hear!

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HUMAN RIGHTS

REQUEST FOR EARLY CONSIDERATION OF BILL C-72

Mr. Lincoln M. Alexander (Hamilton West): Turning now to another matter, Bill C-72, which I believe lies within his jurisdiction, may I ask the Minister of Justice when the proposed legislation on human rights is likely to be introduced to parliament for second reading? Various circumstances, including the presentation of the report on immigration, require that this matter be dealt with expeditiously. Can the hon. gentleman give me an assurance that he, together with the House leader, can bring this bill forward for second reading as soon as possible?

Hon. Ron Basford (Minister of Justice): With regard to the earlier question, may I say I fully share the hon. member's concern about the harassment by telephone of certain groups that is going on in Toronto. I share the seriousness with which he regards it. As to the second question, House business is, of course, a matter to be negotiated between the various House leaders. Our program has been held up because of the anti-inflation measure; also, the federal-provincial meeting to which I referred earlier is being held to deal with Bill C-72, the human rights bill, and I think it would not be useful to bring the measure forward for second reading until that meeting has been held.

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MANPOWER

NOTIFICATION BY FALCONBRIDGE NICKEL OF INTENTION TO LAY-OFF EMPLOYEES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In light of the minister's answer yesterday that he would check with his department regarding whether Falconbridge Nickel Company had contacted his department with respect to advance notice of the company's two-phase layoff, is he now prepared to tell the House whether or not his department was contacted? If not, in the light of the federal Labour Code which requires 16 weeks notification if more than 300 are being laid off, is he prepared to order Falconbridge to conform to this particular statute?

● (1430)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I initiated the request for information on this matter but I did not have it at the time when I came to the House for the question period this afternoon. On the second point, without getting too much into the area of legal matters, it is my understanding that the Canada Labour Code refers in these opinions to firms under federal jurisdiction. It would probably be more apt to have the matter raised in the provincial house of Ontario, where I think more action could be taken regarding Falconbridge itself. However, I am certainly keenly interested and I will be letting the hon. member know what voluntary methods we can support in order to get some action.

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FINANCE

SUGGESTED WITHDRAWAL OF TAX CONCESSIONS TO FALCONBRIDGE NICKEL ON OPERATIONS IN NAMIBIA

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a supplementary question which I will address to the Minister of Finance. In view of the fact that Falconbridge is implementing production cutbacks in Canada while at the same time maintaining increased production at its overseas plants—so obviously the workers of Ontario are subsidizing the overseas operations of Falconbridge—is the government now prepared to withdraw the tax concessions granted to Falconbridge for its operations in Namibia?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to examine that more deeply.

* * *

ENVIRONMENTAL AFFAIRS

POSSIBILITY OF SIGNING AGREEMENT WITH BRITISH COLUMBIA ON WEED CONTROL IN OKANAGAN BASIN

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of the Environment. Considering the negative decision regarding the $100,000 federal share in the dredging program to combat weed growth in Okanagan lake, can the minister now say what decision has been made regarding signing the general implementation program for weed control in the Okanagan water basin with the provincial government?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the plan to contribute $100,000 toward the removal of weeds in the Okanagan lakes was subject to treasury board approval, which was not obtained due to the restraint program. However, the implementation agreement on the Okanagan basin is now before us. It will be signed in the very near future and hopefully out of that agreement some long term program for the treatment of these weeds in these very valuable lakes will flow.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—METHOD BY WHICH BOARD WILL CONTROL AND ROLL BACK FOOD PRICE INCREASES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Finance. When the minister appeared before the standing committee in connection with the examination of Bill C-73 he indicated in reply to a question that he had no idea how the Anti-Inflation Board would respond to or control food price

increases. When the minister appeared a few days ago before the Liberal convention in Ottawa, he told the assembly that they would be rolling back food price increases. My question is this: Has the minister had an opportunity in the interim to meet with the Anti-Inflation Board and, if so, can he tell the House exactly how the board proposes to roll back any food price increases?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I refer the hon. gentleman to questions asked in the House regarding a Loblaws subsidiary; it was to that particular incident that I had reference. It seems to me that with the bill before the committee it would be appropriate to discuss this further when I reappear before the committee, I believe next week.

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FISHERIES

ST. PIERRE-MIQUELON—COMPLICATIONS IN DISCUSSIONS WITH FRANCE IN DETERMINING OFFSHORE RESOURCE RIGHTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State (Fisheries). In my question to him yesterday about bilateral discussions with France on fisheries matters as they related to St. Pierre and Miquelon, he indicated that the fisheries relationships with France were complicated. Would the minister elaborate on that or make a statement on motions listing the complications that exist between the two countries?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, perhaps the word "complicated" was not the right one, but I will stay with it. I am sure to the eternal gratitude of many Newfoundlanders, the fact that St. Pierre and Miquelon is not 200 miles away obviously makes extending the jurisdiction more complicated, and it was very much to this that I was referring. I am also grateful that St. Pierre and Miquelon are closer than 200 miles.

Mr. Marshall: A supplementary question, Mr. Speaker. In view of the sensitivity that now exists between Canada and France, and in view of the fact that St. Pierre and Miquelon could be a stumbling block with regard to Canada's position of eventually extending the limit to 200 miles, has the minister anything to advise the House about the discussions from that point of view?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I should remind the hon. member that we are still very much in a state of preliminary negotiations regarding these matters. We must recognize a geographical fact which will have to be taken into account, but I am sure the problems can be overcome.

[Mr. McGrath.]

ENERGY

OIL—METHOD OF MAKING UP REDUCTION IN TAX REVENUES CAUSED BY REDUCTION OF EXPORTS TO UNITED STATES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. According to press reports the minister has informed the United States government, though not this House, that Canada's exports of crude oil will be reduced to 500,000 barrels a day. Since this would reduce export tax revenues that are needed for the import subsidy program by approximately $120 million, would the minister inform the House how these funds will be made up? Does he anticipate a rise in the Canadian price of crude oil, is he simply going to add to an already overwhelming deficit, or is he going to make spending cuts in other areas?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have received the report of the National Energy Board and it is presently under discussion with my colleagues. I hope to be able to table it within the House within the next two weeks. As for the question concerning how we will be able to finance what is quite clearly a steadily decreasing export effort, I would remind him that efforts were made last year in this regard. The 10 cent excise tax should provide in the order of $350 million this year, and in the next calendar year over $500 million.

Mr. Andre: A supplementary question, Mr. Speaker. Without accepting the minister's figures and contention that that looks after the total deficit, may I ask him a question regarding the supplementary estimates, which include an increase in the budget of the energy supplies allocation board of $385 million. The recent 10 per cent increase in oil prices by the OPEC countries accounts for $130 million maximum, leaving a difference of at least $250 million. Since the amount of exports are totally predictable—

Mr. Speaker: Order. I am sure the hon. member is aware that under our procedures he will have an appropriate opportunity to question the minister in detail when the estimates are before the standing committee to which they were referred yesterday. This is not the forum for that kind of question.

* * *

[*Translation*]

HARBOURS

POSSIBLE INTRODUCTION OF LEGISLATION TO APPLY NEW POLICY

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Transport.

Since to my knowledge the government has not yet finally determined its policy for the development of port facilities in the country, especially in Quebec, can the minister tell the House whether he plans the early introduction of a bill to that effect?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, my predecessor indicated that legislation would be

forthcoming, and that certain work was in the hands of a task force to determine the exact form of port structures in Canada. This is still the case.

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MULTICULTURALISM

REASON FOR FAILURE TO FILL VACANCIES ON NATIONAL COUNCIL AND HOLD CONFERENCE IN OCTOBER, 1975

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the minister responsible for multiculturalism. In view of the fact that approximately one-third of the positions on the National Consultative Multicultural Council became vacant as of last May, can the minister explain why reappointments have not been made to this council?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member that there has been some considerable thinking going on within the council as to whether a council composed of 101 members is not a little unwieldy. The feeling is that this number should be reduced gradually, and under that principle more appointments will be made within the number to which the hon. member just referred, hopefully very soon.

Mr. Yewchuk: A supplementary question, Mr. Speaker. In view of the fact that in 1973, when the first national conference on multiculturalism was held, the government took the position that a conference should be held every two years, which means that there should be have been one in October 1975, can the minister indicate what the reasons were for not having held this conference as originally planned? Was it shortage of money, lack of interest, or a change in government policy on this subject?

Mr. Munro (Hamilton East): Mr. Speaker, I think the hon. member will realize that there have been many more meetings than usual, both regionally and nationally, of the 101 members going into the annual report. We are now coming to grips with some revisions to policy, so we thought it would be best to have a conference some time in February, and that is the plan now.

* * *

● (1440)

ENERGY

OIL AND NATURAL GAS—TIMETABLE FOR PHASING OUT EXPORTS TO UNITED STATES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, will the Minister of Energy, Mines and Resources indicate to this House when the government plans to phase out exports of gas and oil to the United States, or does he go to Washington to make these statements before advising this Chamber? What is the government's long or short-range planning?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, that is a very general question. As to the first part of it in respect of oil, I have already answered that by indicating I will be tabling in the House the report of the National Energy Board on oil. As to the second part of the question on natural gas exports, the National Energy Board produced a report in May or June of this year in which it made clear that we were running into an increasing supply-demand situation and that there was a possibility we might have to reduce our natural gas exports to the United States, not over this winter but the following winter.

Mr. Paproski: Mr. Speaker, the minister has committed himself by making a statement in Washington without advising this Chamber, and I think that is wrong.

* * *

[*Translation*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—MAXIMUM WAGE INCREASE—METHOD OF CONTROL

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Finance.

Considering the statement of the Prime Minister (Mr. Trudeau) on control measures and taking into account Bill C-73 which is in the public interest, I would like to ask the minister whether the amount of $2,400 is viewed by the government as an average increase or as the maximum increase for all groups of workers?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it is the maximum for all wage earners.

Mr. La Salle: I have a supplementary question.

Since the Pepin-Plumptre Board announced yesterday the creation of a flying squad to check the increases we have experienced since the government's announcement, will the minister, in view of the provisions of Bill C-73, provide for the setting of a mechanism regarding those increases with respect to the implementation of a bill to be known in a few weeks? Besides will the government have the power to roll back prices that have already been upped in view of the contents of the bill?

Mr. Macdonald (Rosedale): Mr. Speaker, the bill has provisions that allow changing the level of compensation in cases where an increase exceeds the guidelines. As I said to the leader of the New Democratic Party, we are discussing with the provinces the matter of controlling the income of professionals. The program guidelines will apply to all wage earners depending, of course, on their jobs.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

SULPHUR DIOXIDE EMISSIONS FROM SYNCRUDE PLANT—FEDERAL GOVERNMENT STANDARDS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question for the Minister of the Environment relates to the Syncrude project and the widespread concern about sulphur dioxide pollution from that project. In view of the minister's statement in July 1974 that the environmental impact study done by the Syncrude companies was unreal-

istic and inadequate, and the recommendation of the minister at that time was in respect of 40 long tons emission, and in view of the fact that the Alberta government has now issued permission in respect of 287 long tons for the Syncrude project, will the minister advise the House whether she continues to oppose anything beyond the 40 long tons emission standard by the Syncrude project, and indicate whether she has advised the government representative on the management committee to take a position opposing higher emissions from those stacks?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the accepted levels of emission for the Syncrude project have been established by the province of Alberta. This is mainly a problem for Alberta and, therefore, we do not have national guidelines or standards relating to that specific type of industry. The standards have been established by the province of Alberta and this is very much the responsibility of the government of that province. However, the hon. member is right in saying that we are far from satisfied with the environmental study which has been made by Syncrude. We have asked for supplementary data and information concerning the industrial process. We are engaged with the government of Alberta in a very wide study on the effects on the environment of the development of the tar sands. As the hon. member knows, we have signed an agreement with the government of Alberta involving an amount of $40 million to be spent over a period of 10 years, and under which the federal and Alberta governments will share in the expenses.

Mr. Leggatt: Mr. Speaker, in view of the minister's expressed concern over the emission standards, and bearing in mind the problem regarding a conflict of interest in that the minister's own government is involved in the development of the tar sands, would she advise when she will have clean air standards under the federal Clean Air Act so we can have some orderly leadership in terms of environmental impact from the sulphur dioxide emission at that plant?

Mrs. Sauvé: Mr. Speaker, I want to assure the hon. member that we do not feel we have a conflict of interest. Quite to the contrary, it is precisely because we have some involvement in that project that any activity at that site falls within government policy, under which environmental impact studies must be produced to the satisfaction of the Department of the Environment. Any such activity should thus fall well within the standards established by the Department of the Environment.

* * *

AIR TRANSPORT

POSSIBILITY OF CONTINUING STOL EXPERIMENT—GOVERNMENT POSITION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in view of the recently reported philosophy the Minister of Transport is attempting to instil in the Department of Transport, can the minister give the House and the country some idea whether the government is prepared to continue with the STOL experiment, and that this does not necessarily mean the government will be spending an additional $16 million in Montreal to improve the downtown airport?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we are reviewing the current state of the STOL experiment, but have taken no decision about its exact extent. We are certainly satisfied that it has proven the value of this form of service between pairs of cities.

Mr. Horner: Mr. Speaker, it has proven the value, but has it proven economic feasibility?

Mr. Lang: Mr. Speaker, it was not anticipated that the Montreal-Ottawa run with Twin Otters would in fact be economically feasible. The point of the study was to prepare the way for other short takeoff and landing craft such as the DASH 7 which may soon be available.

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TRANSPORT

FREIGHT RATES—DISPARITY BETWEEN RATE ON FRESH FRUIT FROM OKANAGAN TO EASTERN CANADA AND RATE FROM STATE OF WASHINGTON

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, did the Minister of Transport receive a telegram from B.C. Tree Fruits on November 5 asking when he was going to answer the telegram sent on October 3, concerning disparity in freight rates for fresh fruit from the Okanagan Valley in British Columbia to eastern Canada as compared to rail rates to the same markets from Washington state? Did he receive that telegram and how does he intend to reply?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have seen the second telegram which refers to the first, which I have not seen. I will be looking into the matter to see whether I might add any comment regarding the normal legal situation in relation to freight rates in Canada.

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ADMINISTRATION OF JUSTICE

ALLEGED VIOLATION OF BILL C-50 IN SETTING SUPPORT PRICE FOR BEEF

Mr. Gordon Towers (Red Deer): Mr. Speaker, in light of the October 23 statement of the Minister of Agriculture that the support price on beef was approximately $1.50 per hundred weight lower than the previous year because of "lower feeder cattle prices", which violates Bill C-50 in spirit, I would ask the Minister of Justice to scrutinize the statement in question in order to ascertain whether it is in fact a violation of the provisions of the bill by overlooking the clause "to reflect the estimated production cost of the commodity", in this case being the cost of production of the animal, either as a calf or a feeder, until it enters the feed lot?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I would bow to my colleague, the Minister of Agriculture, in

respect of expertise in this matter, but I will scrutinize the statement referred to in the hon. member's request.

* * *

● (1450)

AIR TRANSPORT

REQUEST FOR OPENING OF NORTHERN AIRSTRIPS TO CLASS III OPERATIONS DURING WINTER MONTHS

Mr. Cecil Smith (Churchill): Mr. Speaker, I have a question for the Minister of Transport. Several remote communities in northern Manitoba are serviced by air only. In July, five airstrips were closed to class III operations, which has restricted the movement of patients to hospital. At present, patients are being moved by charter only. Because of the high cost factor, patients are having to wait long periods to receive medical attention. Will the minister consider the opening of these five airstrips to class III operations for the winter months?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have been looking at the thorny question of certain airstrips in Manitoba which are substandard for certain types of operations and have not been able at this point to arrive at a conclusion which would allow that kind of operation within the ordinary bounds of safety. We will go on looking at the question, although I think the prime responsibility for bringing those airstrips up to standard should be mainly that of the builder, which is the government of Manitoba.

Mr. Smith (Churchill): My supplementary question is also to the Minister of Transport. The airstrips which are closed are now serving Indian reserves in northern Manitoba and Indian reserves are the responsibility of the federal government. I would ask the minister to consider that the airstrips were closed for summer operations and that the winter operation of airstrips is quite different in the remote frozen north.

Mr. Lang: I am quite aware of that. I am also aware of the fact that emergency circumstances may make landings necessary which ordinarily would not be considered safe. I think, therefore, that is taken care of, but that will not allow for regular operations.

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AIRPORTS

MIRABEL—REASON FOR PAYMENTS TO CONSULTANTS FOR DESIGN OF RUNWAYS AND TAXIWAYS

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of Transport, but first I should like to thank the minister for his written reply to my October 27 question confirming that the official Banaim list of consultants is correct in showing the Ministry of Transport as the only agency responsible for the design of airways, aprons and taxiways at the Mirabel airport. I wish to ask the minister whether he can explain why the answer to order paper question No. 2945 shows $9,770,175.06 being spent on outside consultants for the design of runways, aprons and taxiways at Mirabel airport.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be glad to look at what the hon. member suggested.

Some hon. Members: Oh, oh!

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VETERANS AFFAIRS

CAMP HILL HOSPITAL, HALIFAX—DATE OF TENDER CALL—POSITION OF PROVINCIAL GOVERNMENT

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Veterans Affairs and it follows his discussion with the Nova Scotia minister of health. Has any decision been made regarding the date for a tender call for the reconstruction of Camp Hill hospital in Halifax and, if not, which government next has to make some decision before progress can take place?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, may I say in answer to the hon. member's question that the proposed Camp Hill hospital is at present in the hands of the government of Nova Scotia. They are looking over the project and we are awaiting their answer.

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STORMS

DAMAGE IN GREAT LAKES REGION—REQUEST FOR FEDERAL ASSISTANCE

Mr. Roger Young (Niagara Falls): My question is directed to the Minister of Public Works, Mr. Speaker. In view of the serious storms which struck the Great Lakes last Monday evening and in view of the serious wind and water damage which was left in its wake, has any consideration been given or will any be given to making federal emergency assistance or disaster relief available to the communities and individuals which were so hard hit?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think it is a fairly well accepted policy that where there is damage caused by natural disaster relief is primarily under provincial jurisdiction. However, in the event that circumstances are beyond the resources of the province—

Some hon. Members: Oh, oh!

Mr. Drury: —the federal government has indicated on a formula basis its willingness to assist.

Some hon. Members: Cheap!

Oral Questions

IMMIGRATION

PORTUGUESE REFUGEES FROM ANGOLA—GOVERNMENT MEASURES TO ASSIST—SUGGESTION MINISTER ATTEND MEETING OF PORTUGUESE PEOPLE IN TORONTO

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the serious suffering many Portuguese citizens have undergone as a result of their ouster from Angola, what steps have the minister's officials taken to assist these people and what facilities are available for many of them to come to Canada as refugees?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in response to representations from my colleague, the hon. member for Spadina, as well as other hon. members we have looked into this and we are following the situation very closely. As the hon. member knows, people from Angola are also Portuguese citizens, even after November 11 which I believe was Angola's independence day. We have issued instructions to expedite any applications of Angolans who have relatives here in Canada. We have asked our people in Lisbon and in other offices nearby to treat those applications with the greatest consideration. I must say that we have not had a great volume of people as yet applying from within Canada for that consideration, but we are watching very closely.

Mr. Gilbert: I wonder if the minister or his officials would attend the meeting of Portuguese people in Toronto next Tuesday to explain the position of the government in this important matter.

Mr. Andras: There was a meeting in Ottawa with representatives of the Portuguese community led by the hon. member for Spadina about a month or two ago. The information I have just given to the House a minute ago was conveyed to the Portuguese community in Toronto. I personally met with Portuguese people in Winnipeg about a month ago and told them the same thing. One of the problems is that people in Angola are not refugees under the definition of the UN convention, but we are doing our best to watch the situation and I will be glad to meet with them or have somebody meet them to elaborate our position, but we have already informed them of our position on this matter.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBILITY PROFESSIONALS WILL RAISE FEES AND WORK FOR ONLY NINE MONTHS

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of Finance. In answering some questions regarding Bill C-73 he said the gross income of professional people will be regulated to a maximum of $2,400. If the gross income of professional people is to be regulated, what will stop professionals in Canada from raising their fees to their clientele and working for, say, nine months out of twelve?

[Mr. Drury.]

Mr. Speaker: Order, please. With respect, I think that is the kind of question that should be put to the minister in committee.

* * *

PERFORMING ARTS

SUGGESTION INDEPENDENT PRODUCERS DISTRIBUTE OWN FILMS—GOVERNMENT POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Secretary of State. Representatives of the National Film Board are now asking independent producers, when bidding on a project, to include the cost as well as the method of distribution of the film. Is it the policy of the minister's department that producers now also become distributors of films, and does he not agree that such a policy would seriously prejudice, if not kill, many small independent producers, and that such a policy is designed to funnel business to the government corporation which already has its own distribution facilities?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am not sure I fully understand the question. Let me examine it before I answer the hon. member.

* * *

ADMINISTRATION OF JUSTICE

POSSIBILITY OF ACCEPTING PRIVATE BILL DEALING WITH GUN CONTROL—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, a week or so ago I asked the Minister of Justice whether or not, in view of the very widespread increase in gun toting criminals, he would be prepared to give consideration to accepting the private bill that I have introduced which provides for a minimum of five years for gun toting criminals, hoods and their like, without there being any reduction by parole, and he said he would look into it and let the House know.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, if that were solely the effect of the right hon. gentleman's bill, I would share his concern. I am preparing a number of amendments to the Criminal Code and I am taking that into account. But the effect of the right hon. gentleman's bill, as I understand it, would be to provide a minimum sentence of five years for the commission of any indictable offence while carrying a firearm, which could have the effect that a hunter, for example, charged with drunken driving while carrying a firearm in the back of his truck—

Some hon. Members: Oh, oh!

Mr. Basford: —could end up with a five year minimum sentence. The gentleman opposite do not like it, but that is the advice I have as to the effect of the bill. That is why I am not prepared to suggest to the House leader that we deal with that private member's bill, but the sentiment of the bill in terms of the desire to control the use of firearms and increase the standard of care for firearms is very much

in my mind, and it will be introduced in the House in due course.

● (1500)

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I should like to ask the government House leader how he has plotted the time of the House for the rest of this week and next week. I use the word "plotted" in its best sense, of course.

Mr. Sharp: Mr. Speaker, I try to plot as much as possible in consultation whith my hon. friend and with the hon. member for Winnipeg North Centre (Mr. Knowles). It is the intention of the government to proceed immediately with Bill C-58. When the debate on that bill is concluded, I have two bills in mind: Bill C-20 and, if possible, the government annuities bill which I hope will be on the order paper for debate by Monday. Those are the items which are immediately before the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am glad the minister makes it unnecessary for me to ask one of my two weekly questions, in that he has now made it clear that we will be dealing with the government annuities bill very soon. Can the minister now tell us when we will deal with the bill implementing the recommendations of the Standing Committee on Veterans Affairs with respect to Canadian veterans who were prisoners of war?

Mr. Sharp: I regret that I am not in a position to answer that question as yet.

TIME ALLOCATION MOTION WITH RESPECT TO BILL C-58

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, yesterday, as appears in *Votes and Proceedings*, I gave notice of my intention to proceed under Standing Order 75C to propose an allocation of time on Bill C-58. I therefore move, in accordance with Standing Order 75C:

That, in relation to Bill C-58, an act to amend the Income Tax Act, five hours shall be allotted to the further consideration of the second reading stage of the bill; and

That, at the expiry of the fifth such hour, Mr. Speaker shall interrupt any proceeding before the House, if required for the purpose of this order, and shall forthwith put, without further debate or amendment, every question necessary for the disposal of the second reading stage of the bill.

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Sharp: I propose this motion with reluctance—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The President of the Privy Council (Mr. Sharp) and other hon. members are well aware that, pursuant to the provisions of the Standing Order, a two-hour debate is to follow the presentation of the motion. I hope all hon. members will have ample opportunity to describe their reluctance during that two-hour period, rather than at this moment. I believe the Standing Order requires that we put the motion forthwith, followed by a two-hour debate. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Sharp: Mr. Speaker—

Mr. Speaker: Any remarks at this moment by the President of the Privy Council would, of course, initiate the two-hour debate. I wonder whether it is the disposition of hon. members to conclude the remaining routine proceedings before commencing the debate. If that is agreed, I could call the remaining routine proceedings and then we could begin with the remarks of the President of the Privy Council. Is that agreed?

Some hon. Members: Agreed.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,942, 3,110, 3,132, 3,248 and 3,265.

[*Text*]

GOVERNMENT ASSISTANCE TO FARMERS

Question No. 2,942—**Mr. Herbert:**

1. What was the amount of government assistance of all forms of price support, subsidy, etc. in the years 1973-74 and 1974-75 for (a) beef (b) meat other than beef (c) eggs (d) dairy products (e) grains (f) fruit (g) vegetables (h) other forms of assistance to farmers such as fertilizers or pest controls?

2. (a) Have estimates been prepared of the costs in the above categories for the year 1975-76 and, if so, what are they (b) alternatively, what are the estimated commitments to date?

Hon. Mitchell Sharp (President of the Privy Council): In so far as Agriculture Canada is concerned: 1.

	1973-74 $		1974-75 $
(a)	Nil		46,470,824
(b)	66,778		1,914
(c)	Nil		Nil
(d)	118,580,572	manufactured milk and cream	229,662,713
	51,473,766	Consumer milk and powder	74,620,777
(e)	22,273,304		21,425,938
(f)	Nil		Nil
(g)	35,927		636
(h)	1,038,000		1,752,356

2. Estimates have been prepared, but in the area of price support it is not possible to outline all levels of expenditure in advance, since under the Agricultural Stabilization Act expenditures are not required every year for each category of product. With the foregoing qualification, estimated expenditures in 1975-76 will be as follows:

(a)			(b)
	Estimated 1975-76 $		Paid To Date $
(a)	20,500,000		3,002,824
(b)	Nil		Nil
(c)	Nil		Nil
(d)	266,000,000	Manufactured milk and cream	146,879,500
	16,320,000	Consumer milk and powder	6,108,260
(e)	21,000,000		9,116,515
(f)	500,000		Nil
(g)	13,600,000		13,218,591
(h)	3,375,000		Nil

In so far as the Department of Industry, Trade and Commerce is concerned: The amount of government assistance in the form of a price support or subsidy is: 1. (e) 1973-74, $69,385,925; 1974-75, $81,230,325.

2. 1975-76, $200,000,000. The above payments are made, under the two price wheat program, to the Canadian Wheat Board, the Ontario Wheat Producers Marketing Board and directly to wheat producers in Quebec and the Maritimes. These payments reduce the price of flour and are a consumer subsidy.

CANADIAN WILDLIFE SERVICE—BIRD KILLING PERMITS

Question No. 3,110—**Mr. Clark (Rocky Mountain):**

1. Is it the policy of the Canadian Wildlife Service to issue a permit for the killing of a bird which is considered to be the first of its species to appear in a particular province if (a) a specimen of that bird is already in a collection in (i) Canada (ii) elsewhere in North America (b) that bird is of a species listed in the Red Data Book of the International Union for the Conservation of Nature and Natural Resources as a rare species?

2. What specific criteria are applied by the Canadian Wildlife Service to determine whether an applicant for a permit to kill a bird for collection purposes should be granted the permit?

3. For the purpose of issuing permits to kill birds for collection purposes, what specific criteria are employed by the Canadian Wildlife Service to define an eligible (a) applicant (b) institution (c) scientific inquiry or experiment?

4. What safeguards are enforced by the Canadian Wildlife Service to ensure that permits issued by them do not contribute to the depletion of bird species which are rare in (a) a province or region (b) Canada (c) the world?

5. Has the Canadian Wildlife Service considered the application in Canada of the practice in Great Britain of absolutely prohibiting the killing of a bird where the sole purpose is to verify its identity or to add it to a list of known species and (a) if not, for what reason (b) if so, for what reason has that system not been applied in Canada?

[Mr. Sharp.]

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): 1. (a) Some permits are issued to agencies such as the National Museum of Natural Sciences, Provincial Museums, some universities and Provincial Wildlife agencies without species restrictions except for those species native to Canada which are rare and endangered or are under provincial jurisdiction. (i) Yes; (ii) yes (b) Not all species listed in the IUCN Red Data Book are really rare by Canadian definition. In these cases there is no biological reason not to do so.

2. The criteria are listed in Section 19 of the Migratory Bird Regulations—P.C. 1975-1689. THey include, where applicable, a review of the research proposal, reputation of the applicant, including letters of support from recognized scientists, the species and area where collecting is intended.

3. (a) Letters of testimony from reputable scientists on behalf of new applicants as required by the Migratory Birds Regulations: (b) Personal knowledge of issuing officer as to whether an institution is bona fide; (c) Each research proposal is viewed on its merits, consequently it is not possible to have a single set of criteria. Some permits are issued to facilitate monitoring of toxic chemicals in the environment or the salvage of birds killed accidentally.

4. (a) No particular protection is given to stragglers not known to breed in a province, except restraint exercised by responsible scientists; (b) No particular protection is given to stragglers not known to breed in Canada; (c) Birds that are rare elsewhere in the world are not likely to be found in Canada and if found outside their normal range are likely to perish in any event.

5. Yes, it was considered; (b) This practice was rejected because of the less advanced state of knowledge of the distribution of migratory birds in Canada.

NATIONAL DEFENCE—ISSUE OF WHEELED VEHICLES FOR ARMOURED CARS

Question No. 3,132—**Mr. McKinnon:**

1. How many wheeled vehicles, by type, were issued to the Armed Forces between January 1, 1975 and September 1, 1975?

2. Have any contracts for armoured cars been let during the period January 1, 1975 to September 1, 1975?

Hon. James Richardson (Minister of National Defence): 1. Wheeled vehicles issued to armed forces between January 1—September 1, 1975:

Type of Vehicle	Numbers
Passenger Vehicles	
Sedan, 4 door, standard	52
Sedan, 4 door, compact	101
Station Wagon, 4 door, standard	96
Station Wagon, 4 door, intermediate	10
Carryall ½ ton, 4x2	56
Bus, 35 and 44 passenger capacity	9
Ambulances, 1 ton, 4x4	38
Miscellaneous passenger vehicles	10
Sub Total	372

Cargo Carrying Vehicles	
Truck, stake, 3 ton	100
Truck Cargo, 1 ton, 4x2 (with extended cab)	125
Truck Cargo, 1 ton, 4x4 (with extended cab)	22
Truck Cargo, 1 ton, 4x4	200
Miscellaneous Cargo carrying vehicles and trailers, ½ ton to 5 ton (excluding the above vehicle types)	110
Sub Total	557
Specialized wheeled vehicles such as cranes, tankers, aircraft servicing vehicles and fire trucks	70
Engineer, construction and maintenance vehicles (including tractors, loaders scoop type, dump trucks, snow removal vehicles and graders)	77
Wheeled powered materials handling vehicles including forklifts, pallet trucks, warehouse tractors and cranes	79
Grand Total	1,155

2. No.

NATIONAL DEFENCE—PASSENGER RESERVATION SERVICES

Question No. 3,248—**Mr. Reynolds:**

1. Did the Department of National Defence sign a contract with Air Canada for passenger reservation services on the Air Canada computer at a cost of $1,866,662?

2. Was the average in 1974, 25 percent on a number of available seats and, if so, what government action has been undertaken to optimize possible dollar savings?

3. Does the Department of National Defence book passenger reservations on an individual basis and, if not, would it be more economically efficient to do so?

Hon. James Richardson (Minister of National Defence): 1. Yes.

2. As stated in reply to Question No. 1,951 (*Hansard* 110, page 4767, dated March 14, 1975) approximately 23 per cent of the total available seats were not used. The contract with Air Canada will enable the Department to significantly improve seat utilization with consequent dollar savings.

3. Yes.

LAWYERS RETAINED BY GOVERNMENT IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,265—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the government in 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): 1 and 2. See Question No. 3,096 of July 30, 1975.

[*English*]

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

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

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BUSINESS OF THE HOUSE

TIME ALLOCATION MOTION WITH RESPECT TO BILL C-58

The House resumed consideration of the motion of Mr. Sharp:

That, in relation to Bill C-58, an act to amend the Income Tax Act, five hours shall be allotted to the further consideration of the second reading stage of the bill; and

That, at the expiry of the fifth such hour, Mr. Speaker shall interrupt any proceeding before the House, if required for the purpose of this order, and shall forthwith put, without further debate or amendment, every question necessary for the disposal of the second reading stage of the bill.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I propose this motion with reluctance because it had been my hope that the parties would agree to allocate time for the conclusion of the second reading debate on Bill C-58. I approached the House leader of the official opposition with this in mind and he advised me that he could not agree, on behalf of his party, to a time allocation of any kind. A motion under Standing Order 75A therefore became impossible. I thereupon approached the House leader of the New Democratic Party, who informed me that he would have been ready to participate with all the other parties in a motion under Standing Order 75A, but he was not authorized to join with the government in a motion under Standing Order 75B.

Because of the pressure of other legislation and the long period during which Bill C-58 had been discussed at second reading, the government felt that it should take the responsibility for bringing the second reading motion to a vote within a reasonable time. I remind the House that already there have been 47 speakers on Bill C-58 and they have expended a total of six days in their speeches. This motion allocates another five hours of debate, equivalent to at least another full sitting day. This will enable another seven or eight speakers to participate if they wish to speak for the maximum period of 40 minutes each, and a good many more if the speakers are content to limit their speeches to a shorter period, say 20 minutes. I doubt, therefore, if anyone could accuse the government of having unduly limited the expression of opinion by hon. members on this piece of legislation at the second reading stage.

Some hon. Members: Hear, hear!

Mr. Sharp: Indeed, the government may be open to the charge of having let the debate drift on too long before taking its responsibility and bringing second reading to a vote.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): A number of other charges, too.

Mr. Sharp: Moreover, it is only when the bill gets into committee and at the report stage that amendments can be proposed and debated. The House will recall that because of the desire of various outside groups to make representations, there was unanimous agreement to refer Bill C-58 to the standing committee rather than to the committee of the whole House which is the usual route for bills relating to taxes. It was the universal desire of the House that this bill should get into committee where the various groups pro and con could make their representations.

Standing Orders 75A, 75B and 75C have been used infrequently—75C very sparingly indeed. I am inclined to think that in the future more use should be made of the principle of allocation of time.

Some hon. Members: Hear, hear!

Mr. Sharp: Or, if I were to use a phrase which might commend itself more to members of the opposition, if we were to use the principle of management of time, which I think is useful to all parties of the House, I would think—

An hon. Member: You mean manipulation.

Some hon. Members: Oh, oh!

Mr. Sharp: —that something of this kind would be regarded with some favour. Moreover, I believe that the weight of debate should be shifted forward—I know this view is shared by many people in the House, including at least some of the House leaders—away from second reading, which tends to be repetitious and discursive, and toward the more focused debates which take place in committee, at report stage and on third reading.

Some hon. Members: Oh, oh!

● (1510)

Mr. Sharp: It is my intention to bring proposals like this before the Standing Committee on Procedure and Organization within a short time. Meanwhile, since we have to work with the instruments that are at our disposal, I feel the government is fully justified and the people would expect us to bring this issue to a vote at the present time so that the public can make its representations to members of this House and we can reach a decision on this very important bill.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, it is perfectly obvious that a government which cannot manage the economy certainly cannot manage this House.

Some hon. Members: Hear, hear!

Mr. Baldwin: It is rather ironic that this motion for closure, or allocation of time, is brought under Standing Order 75C and the godfather of that rule now sits in this House occupied with other business, and the rule itself was imposed upon this House by closure. As the right hon. member for Prince Albert (Mr. Diefenbaker) would say: It's a long, long lane that has no ash cans.

It is amazing for me to see hon. gentlemen opposite, those who formed the Liberal opposition of 1959, 1960, 1961, 1962 and 1963, sitting in this House now and behaving as they are, having seen the kind of organized resistance there was at that time. Not too many of them are here now. I think the hon. member for Ottawa-Carleton (Mr. Turner) was here, and I believe the Minister of Finance (Mr. Macdonald) was here in 1963. The President of the Privy Council (Mr. Sharp) was probably behind the firing line, fashioning the bullets—most of them duds. In those days, the Liberal opposition facing the government under my friend the right hon. member for Prince Albert, took 65 days, 70 days, 75 days, 80 days, and a one time 88 days to consider supply: 88 days to put supply through this House because of the organized opposition and filibuster of the Liberal opposition of that time!

An hon. Member: Where is that government now?

Mr. Baldwin: Those practitioners of the open mouth have become advocates of the muzzle.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Speaker, I am one of those who does not fear the use of closure. I have always said in this House and outside that if members of the House, whether of the opposition parties or on the government side, took up time that should not be taken in a fruitless and useless filibuster, the government had a responsibility to intervene.

Some hon. Members: Hear, hear!

Mr. Baldwin: I have never argued otherwise. But they have to be very careful and sensitive with respect to the issue. Members of the House on all sides—I even include those silent members of the phalanx of the sphinx who sit over there saying nothing, breathing loudly and sometimes making speeches—when there is a case to be taken to the people of Canada, as we in this party felt there was after careful reflection of the principle involved in this bill, have the duty—not only the right, but the duty—particularly members of the opposition, to say that we will debate the measure to the extent necessary so that the people of Canada may be aware of what the government is trying to do.

Some hon. Members: Hear, hear!

Mr. Baldwin: Bill C-58 is not a long bill but it is rather intricate. It was not apparent to the people of Canada exactly what the government was trying to do. I see the Secretary of State (Mr. Faulkner) shaking his head. He knows better. I only wish we had a freedom of information bill, because I would love to examine his files and see the letters that were sent to him opposing this measure. Hon. members on this side received a deluge of mail up to the time the measure was debated before the recess. We were doing what was our responsibility, laying the facts before the people on this issue.

The speeches have not been long. Yesterday there were nine speakers including the leader of the New Democratic Party (Mr. Broadbent). All in all, it was a short day. In my judgment, if the President of the Privy Council had restrained his impetuosity and stayed in line, this bill

might have been completed today or on Monday. But, as I have said, the speeches were not long. It is the right, the duty and the responsibility of members of the opposition, on an issue of this kind where principle is involved, to say what they have to say on behalf of their constituents and the people of Canada generally.

Some hon. Members: Hear, hear!

Mr. Baldwin: Having said that, I do not need to go any further than to say we intend to oppose this most improper and monstrous motion. Before concluding I would respond to the invitation of the President of the Privy Council with regard to abuse of the time of this House. I suggest to the hon. gentleman, as I have told him privately and in correspondence, that when we can restore to members of this House, on all sides, some capacity to challenge the government in an adequate way to deal with supply in the House—at least to the extent that some departments can be brought into the House and examined adequately—when private members have an opportunity to raise issues which can be debated, and that includes members on the government side, when there are supply days which are meaningful, when the opposition has some right to select the time when controversial matters of current interest can be debated, the President of the Privy Council should consider taking this blunt and useless weapon which was rammed down the throat of this House by the present Minister of Finance—the closure rules—and modify them so they can be used on appropriate occasions.

Speaking for myself, I would have no compunction about that kind of rule being placed on the rule book of this House. But there must be a *quid pro quo*. We must restore to this House the rights which have been filched from it over the last three or four years. This democratic process can only operate on the basis of a partnership between the government and the House of Commons. That partnership does not now exist.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if instead of being limited to ten minutes I were limited to one word with which to describe this motion, that word would be "stupid".

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I say that the government's action in presenting this motion is stupid for two reasons. One of the reasons is that in my view there are better ways to deal with the management of the time of this House—and I shall say something about that in a moment. The other reason is that I am convinced that the effect of this motion will be that second reading of Bill C-58 will be attained in this House later than would otherwise have been the case.

If this motion carries and there are to be five more hours of debate, that takes it beyond tonight and over to Monday, so Bill C-58 will come to its second reading vote some time this coming Monday evening. I am satisfied that otherwise the debate would have petered out today.

● (1520)

Mr. Sharp: That is not the message we received.

An hon. Member: You sent the wrong messenger.

Mr. Sharp: You cannot have it both ways.

An hon. Member: There is no agreement.

Mr. Lawrence: We do not have to agree with you. The debate would have been over at five o'clock. This is stupid.

Mr. Deputy Speaker: Order, please. Although the time for the debate is limited, many hon. members can speak their minds. I hope that in the meantime hon. members will allow the Chair to hear the hon. member who has the floor.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I realize the the President of the Privy Council (Mr. Sharp) said that he had been told by members of the official opposition that they could not agree to time allocation and had a long list of speakers. According to my information—after all, we talk to our friends behind the curtains and we know what is happening—debate would have petered out this afternoon, or tonight at the latest.

The other reason for my thinking this method stupid is that there are much better ways of concluding a debate. I still believe in collective bargaining, in arguing things out until there is agreement. I know that in collective bargaining matters this government does not always stay at the table as long as it should, and the minister felt that in this instance he had stayed long enough. Let me remind him of two recent instances. I pick my words carefully, as I know one does not disclose secrets which are discussed at meetings of House leaders. Even so, I can remind the President of the Privy Council and my other fellow House leaders that when we met as a group on Thursday, October 23, we planned a program of business for the rest of that week and the next week until Friday, October 31. We got through that program of business, plus one more bill. We met again on Thursday, October 30, to consider a program of business from that day until Friday, November 7. What happened? Again, we got through all the items in that program, plus one more which we had not planned.

There are times when debate bogs down. What is wrong with that? This is the place of debate. There are times when members feel strongly about an issue and debate is extended. But I still think that the best way to sort things out is by sitting down and talking them through until there is agreement. In this case, I think that either agreement could have been reached or the debate would have died a natural death. So I say, Mr. Speaker, that this is a stupid method to apply to this issue. It is unfortunate, as well, because of the negative effect it has on efforts to arrive at some basis for managing the time of this House.

I make no bones about it: I have been involved in some pretty vigorous battles around here to do with closure. I was not here when Sir Robert Borden's Conservative party was in power in 1913—

An hon. Member: Are you sure, Stanley?

Mr. Dick: Check the record.

Mr. Lawrence: He came the next year.

Mr. Knowles (Winnipeg North Centre): The hon. member for Peace River (Mr. Baldwin) mentioned that Standing Order 75C, which we are now considering, was

forced through under closure. He did not point out that the closure motion that was used for this purpose was rule 33, a Sir Robert Borden creation back in 1913. Not only have I been involved in some battles against the imposition of closure; I have contended, in speeches and in written articles, that if this place is to survive we must find ways to better manage and allocate our time.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I am glad to hear the support from the government side. But managing and allocating our time does not mean having the government side do this unilaterally or dictatorially. Both sides of this House were elected properly and officially. Both sides ought to have their say. I believe that we can work out rules on the basis of all—

Mr. Baldwin: You had your chance in 1972, and you blew it.

Mr. Knowles (Winnipeg North Centre): It was in 1972 that the twenty-ninth parliament was elected, and thank heaven, we got lots of things through in that parliament before this government went completely reactionary.

I point out that we have been willing at any time to agree to an all-party arrangement to bring this debate to an end. We have kept our speeches to the minimum. Yesterday, only one of our members spoke—our leader. He talked no longer than 15 or 20 minutes. Today, only the hon. member for Waterloo-Cambridge (Mr. Saltsman) is to speak, and he is always brief and to the point. We have said in our speeches that we are not as scandalized at Bill C-58 as are our friends in the Progressive Conservative party. Hence, I make the point that I am not speaking against the use of Standing Order 75C as one who wants to block the vote on Bill C-58. We think it should come to a vote, and have said so a number of times. We also know that the vote on second reading will not be the end of the bill. It must go to standing committee, remain there for goodness knows how long, return for the report stage, and be read the third time. So if the decision to close this stage of the debate is taken, it is not the end of democracy. But I still think it is a stupid way to go about it.

An hon. Member: Do you spell that with a double "o"?

Mr. Knowles (Winnipeg North Centre): I hear my hon. friend asking if I spell "stupid" the usual way, "or s-t-o-o-p-i-d." At any rate, this is a stupid way to deal with the management of the time of this House, and we shall vote against this motion. I am sorry this method is being used, not only because I think it is the wrong way to bring this debate to a close but because it is a setback to efforts for arriving at a reasonable and rational arrangement for the effective use of the time of this House.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on behalf of my colleagues of the Social Credit Party of Canada, I want to express our very deep concern over the position taken by the President of the Privy Council (Mr. Sharp) who has to resort to Standing Order 75C, which is, in effect, taking away the privilege acquired through our electors, the opposition's right to speak. As far as we are concerned in respect of this bill, we did not abuse the time of this House, something we never did.

I would state at this point that Progressive Conservative members appear to be more directly involved than we are in the legislation, possibly because they have a larger representation of constituents against and receive more correspondence opposing the bill. First I must commend that party for having spoken so often. I believe in a democracy one can speak when one feels, and when one must do so in this House.

When he introduced his motion, the President of the Privy Council (Mr. Sharp) suggested his view was shared by a number of members in this House. I submit that point of view, on the motion introduced under rule 75C this afternoon, is not at all shared. I believe this is unilateral action. We in the Social Credit Party and all the House leaders here, both opposition and government, feel there are far fewer interventions, far fewer changes in time allocations for the various bills, as the hon. member said before me, when there is a consensus between the four House leaders. I believe the procedure is much more successful thereafter, and there is much better opportunity to prepare for a smoother and shorter debate, and a better chance of being heard.

I believe rule 75C has no place here this afternoon and would create a very dangerous precedent, because rule 75C is used to deal as swiftly as possible with Bill C-58 within five hours, after two hours' discussion on the motion for rule 75C which makes seven hours in all. The bill will not be voted this week yet. The business on Bill C-58 is further delayed by two or three days.

I suggest that with this move, the President of the Privy Council demonstrated he simply will not talk with House leaders. That I regret very much, and I hope it will not happen too often.

• (1530)

[*English*]

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I wish to support the motion to limit debate under Standing Order 75C. In the past two days I have heard many comments by opposition members about this motion and Bill C-58. The term "censorship" has constantly been used. They say the government is censoring *Time* and *Reader's Digest* and bringing censorship into this House in terms of this motion. I will later speak about *Time* and *Reader's Digest* to show how ridiculous it is to say that we are invoking censorship in this case. I wish to deal with the motion and the history of this bill. This bill has been in the House for 5½ days. There have been 34 opposition speakers—31 Progressive Conservative and 3 NDP. The opposition has spoken for 14 hours and this side for 3½ hours, for a total of 17½ hours. We are proposing an additional 5 hours, which will make a total of 22½ hours.

Since this parliament began in September, 1974, five bills have taken up the bulk of the allotted time. The budget bills took days and days, and the competition bill took weeks. There were a couple of bills in which I was involved, one of which was Bill C-32, the Petroleum Administration Act. It was introduced into the House on October 25, 1974, and given third reading on April 30, 1975.

In that period of about seven months there were 36 Conservative speakers and NDP. Second reading took 15 days. I might also mention that the petroleum administration bill was introduced during the twenty-ninth parliament and there was a long debate at that time. Bill C-8, the Petro-Can bill, was given first reading on October 3, 1974, and finally passed on July 23, 1975. Second reading took a total of 11 days. With regard to this bill, there were 12 meetings in committee when only clause 2 was dealt with.

If we are going to allocate time intelligently in this House, we have to do something about these prolonged debates. In at least one instance there was a real filibuster in this House. That was with regard to the petroleum bill. The business of the House cannot continue unless we get rid of this kind of prolonged debate where the attempt is not just to debate the issue but to prevent a bill receiving second reading. Yesterday, a number of members said that this bill should not have been brought forward at this time because there are far more important things to debate, such as inflation, the restraint guidelines, and so on. However, 34 Conservative members spoke on that bill for 14 hours.

In the British House of Commons I understand they have a way of allocating time. Second reading of a bill usually involves no more than one full sitting. A sitting may be extended to the next day, but normally it is one sitting. The place to debate this bill is in committee. A number of opposition members have stated that they want the bill moved to committee so they can suggest amendments and receive briefs. That is where the bill should be considered in detail. Therefore, I think it is right that we complete this debate in the next five hours and get the bill to committee.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not intend to cover the remarks of the hon. member who has just taken his seat, but his attitude indicates that he does not know as much about parliament as he should.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The trouble is that some members sitting opposite, regardless of the length of time they have been here, have displayed the same lack of knowledge of this institution that the member who just spoke evidenced to such high degree. The President of the Privy Council (Mr. Sharp) is not here at the moment, but it is of interest to note that the motion was moved by him—a motion of guillotine, of closure—and seconded by the Minister of Public Works (Mr. Drury), both of whom were long-time civil servants of high degree. Today, they will espouse the philosophy that they held and which is generally held by those in the higher echelons of the civil service, namely, that the House of Commons is of no consequence, they have the answers to all the problems and all we have to do is rubber-stamp whatever they bring before parliament.

I listened to the President of the Privy Council and I had never seen him perform better. It was an outstanding performance of piety and regard for parliament. As I listened to him I was reminded of Sir Winston Churchill's observation concerning a minister who had served in his cabinet during the days of war, Sir Stafford Cripps: he said, "Mr. Speaker, God Almighty never made a man as honest as he can look on occasion."

Some hon. Members: Hear, hear!

Mr. Diefenbaker: There he was, today, displaying that love for parliament embalmed only in words. I would suggest, having regard to the philosophy which he enunciated, that he should get in touch with the Minister of Justice (Mr. Basford) who, in the course of an answer to me this afternoon, said that House business is a matter to be negotiated between House leaders. I have never known a better answer. I suggest that these ministers who would trample on the rights of parliament should get in touch with the Minister of Justice who in the few short months he has occupied that portfolio has shown an appreciation of parliament.

The hon. member for Winnipeg North Centre (Mr. Knowles) summed up what is being done in one word—stupid. I find myself in disagreement with him. This is not stupidity; it is Liberal government arrogance.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It is the same thing.

● (1540)

Mr. Diefenbaker: This is the kind of thing we saw in such abundant measure in the House of Commons during the days of the pipeline debate. I recall, too, that when the Liberal party was in power they brought about a flag for Canada by closure, knowing that they could not achieve it otherwise.

An hon. Member: Hear, hear!

Mr. Diefenbaker: The hon. member is just on the outskirts of greatness as a parliamentary secretary, and all I can say is that his applause indicates his lack of knowledge of the subject. I say that with great respect to him.

What are they afraid of over there? The President of the Privy Council says this issue has been before parliament since April. The notice of ways and means was concurred in on April 18 and the bill was given first reading on that date. The bill was debated on May 8, 16, 20 and 26, and then there was a hiatus between May 26 and June 4. Then it was brought in again. Who is responsible for that? A government which does not know how to carry on government!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The minister who is responsible for this bill surprises me greatly, trying to push through a measure which is widely opposed across Canada, and denying members of parliament the right to express themselves clearly and succinctly on a proposal which is dangerous to freedom of speech in this country and which constitutes a type of censorship. I am not here—I mention this only because we shall be arguing the case later—as a proponent of *Time* or *Reader's Digest*. As far as the latter is concerned, I can see no reason for this legislation. As far as *Time* is concerned, when I see the line-up on the part of those who want to bring about this change, when I see the owners of *Maclean's* magazine which has taken such a

strong stand in this regard, I think it is worth pointing out that the company owning *Maclean's* was in receipt of revenues last year totalling $132 million, that it is the largest publisher of national periodicals in Canada and that it publishes periodicals in the United States, Great Britain, France, South Africa, Germany and Austria.

What is going to happen? The party opposite has a majority in numbers—though they are not representative of the people of Canada—and they intend to force this bill through by closure. They are going to deny discussion. If the bill is passed, what will happen? A monopoly of the thinking of Canada will be assumed by Mr. Peter Newman, the editor of *Maclean's*. That is what will happen. Hon. gentlemen opposite smile. The castigation he gave the former leader of the Liberal party, Mr. Pearson, was a disgrace. He is a man with no idea of the democratic system at all; a man who believes in power. All his writings have to do with power. Yet he will be in a position, as editor of a magazine with a million circulation, to dominate the thinking of Canadians to an extend no one has yet been able to achieve. I am opposed to monopolies, either in general or in particular, when they have to do with the thinking of Canadians. Yet this area is to be controlled and dominated by a person who has no regard for the parliamentary system.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The President of the Privy Council will recall the pipeline debates. He smiles; he bows his head in acknowledgment. I smile, too, when I think of the reaction of the Liberals at the time of that debate. They trampled on the rights of parliament as the government is endeavouring to do now, and they reaped their reward when Canadians had their first opportunity to speak. All I can say is this: You can apply the muzzle. You can let fall the guillotine. But this legislation in its present form constitutes such an interference with the freedom of thought and freedom of the press in Canada as to constitute a dereliction in the constitutional rights of parliament to interfere with freedom of speech.

First, there is the control over thinking with Peter Newman. Second, there is the denial of the alternative regarding Canada being shown or revealed by any magazine which could compete with *Maclean's*. Third, there is the attitude on the part of the government that because they have an arithmetical majority they can trample on the rights of the Canadian people. It is not stupid; it is even worse than that: it is further evidence of the fact that the Liberal party today is in keeping with what happened in 1956 when the rights of parliament were trampled upon. That is happening now, because you have a group of individuals who, regardless of what is brought before parliament by the government, have to toe the line and support the administration, irrespective of the dangers and difficulties which will ensue for parliament itself.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I simply wish to make one point in addition to those which have been made, and I think it is exceedingly pertinent. My understanding is that since the Minister of National Revenue (Mr. Cullen) announced the guidelines which would constitute the background of this bill—perhaps they are not so much guidelines as the very foundation upon which the administration will be based—we had a debate yesterday and we are having five hours more debate. I would simply make the point that it is not correct to seek to give the impression in the House or in the country that there have been 5½ hours or 6 hours of debate on the issue which is now before us. The issue was only put before the House precisely when the Minister of National Revenue stated his position. Prior to that time there had been grave doubt as to the basis upon which this bill would be administered.

I suggest that for a government to impose what is, in effect, closure upon a discussion after 3 hours or 3½ hours of debate—that is what it is, 3½ hours of debate—on an issue clearly before the House, because prior to that time we were debating in the midst of fog without any clear idea how some of these things would be interpreted without any idea as to the basis of administration, is to impose closure after only 3½ hours of debate on the actual issue.

• (1550)

[*Translation*]

Mr. Allard: Mr. Speaker, I thought we were discussing Bill C-58. Can one rise now to talk about Bill 58?

An hon. Member: We are discussing Standing Order 75C!

[*English*]

The Acting Speaker (Mr. Turner (London East)): Order, please. The House is debating a motion on time allocation for Bill C-58.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, as a member of the official opposition, I know of no more difficult task than to follow the speech just made by our leader and the very enthusiastic speech made by the former prime minister of Canada, the right hon. member for Prince Albert (Mr. Diefenbaker).

[*Translation*]

I will now address the government. I am surprised that the government faces us today with a guillotine motion. I am surprised, because for quite some time already they have had a majority which enables them to manage the country in the democratic way we all know. But in spite of that majority, they have chosen today to muzzle and tie up the official opposition, to accelerate the passing of this bill. I am surprised, but maybe not because we read during the weekend that those people, at a Liberal convention, had voted almost unanimously against capital punishment, and we realize now how easily they dare impose closure, how easily they resort to guillotine, and let the blade fall on the heads of democratic forces in the House.

But on the other hand, one or two contradictions more do not really matter. What surprises me also, Mr. Speaker, is that on many occasions this government was depicted as cynical, machiavelical, disrespectful of popular will, and recently—

An hon. Member: By whom?

Mr. Wagner: A government member, who was at the same time the joint chairman of the convention, asks by whom. The hon. member for Argenteuil-Deux Montagnes

(Mr. Fox) should know that at the Liberal convention Mr. Trudeau's leadership was unofficially questioned by 19.8 per cent of delegates, but not officially of course, Mr. Speaker.

If we wanted to know the true figures and if all of Canada had been truly represented at that convention, the figure expressing resentment against the Trudeau administration would probably have been 35 per cent.

In view of this resentment of the Canadian people and these rising protests, I am therefore not surprised that the government is showing once again its old arrogance and saying to the official opposition: A few hours more would be detrimental to Canadian politics and we must therefore muzzle you.

Mr. Speaker, may I say that the members opposite seem to be afraid of history, but history is back to haunt them today. We can already see the ghosts of C. D. Howe and St. Laurent. Those were historical times. Closure had been invoked at that time and we know what historical results it had for that government.

Today maybe on a less significant level, I admit it, the principle is still valid. Today this same government is using the muzzling procedure to impose closure. The judgment of the opposition will also be the judgment of the whole Canadian people concerning the Trudeau administration, which has already been judged in 1972, which was judged recently in Hochelaga and which will continue to be judged as a government which does not care about democratic principles, and uses its omnipotent majority to try to muzzle the official opposition. It will not succeed! You may be happy today and you may still be happy next week, but when the next election is called, this government will see that Canadians have a long memory. Action of this type is not likely to give the people a better idea of the democratic process.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, it is not often that I take part in debates dealing with House procedure, but I think this is an important debate and I have a few things to say about it. I was astounded by the comment of the leader of the government in this House, that parliamentary business should be a matter between House leaders. Surely that is not the way parliament is to be conducted. I can only say it is another example of the very blatant use of government power and arrogance.

I think much of this bill represents a feeling of frustration, a feeling that the opposition in this House cannot make itself heard effectively. I trace this to the 1968 change in the rules whereby the business of supply was taken out of the House. Well over one-half to two-thirds of all the business in this House has a financial component. By taking away the business of supply, whereby the government had to justify its expenditures to the House as a whole and a minister could not get his estimates through until approved by the House as a whole, the government has become much less responsible to the House and to its members. Therefore, I think this debate can be traced in large measure to the failure of parliament since the rules changes of 1968 to have any adequate control over public expenditures. The government has replied that we can have opposition days and move a motion directed at a particular government department. But all that the government has to do is to sit out the criticisms until ten o'clock; the day will then be over and the government will have won its position without disclosing it or being made accountable.

The important thing to note about this bill is that it is a form of censorship, which is essentially dangerous in any free society. One person in the communications field who was talking to me about the CRTC and the CBC—I might add that he is a supporter of the party across the way—said to me, "You don't really criticize the government too hard because you don't always quite know how governing bodies will view any criticism of the government". So that criticism of the government, while it may exist privately, is evident in the communications world in Canada; but there is a very marked reluctance to criticize the government of the day too severely. It cannot be said any better than it was said by my seatmate, the hon. member for Palliser (Mr. Schumacher), when quoting from the Calgary *Herald* of October 27 in reference to this bill, as follows:

● (1600)

That is a very dangerous precedent, even if the aim—to make fully Canadian magazines more viable—is praiseworthy. The regulations are not, strictly speaking, censorship. However, they tend to legitimize a mechanism for government interference in the decisions of a publisher. They also tend to create a climate which discourages vigorous criticism of the federal government—a disturbingly authoritarian government, at times. Donald Macdonald's decision to withhold federal advertising from a Montreal separatist newspaper is significant in retrospect. When a government begins to take measures against publications whose editorial position it dislikes, the habit can quickly become ingrained.

The government's s action against *Time* and *Reader's Digest*, admittedly, is not intended to silence voices of dissent. The hope is that stifling these two magazines will enable *Maclean's, Saturday Night* and the like to breathe more freely, commercially speaking. But no matter how noble its purpose, a government that sets out to destroy or financially cripple a magazine bears watching. It might develop a taste for blood.

I think this is the important aspect of this bill and the aspect with which the debate has generally been concerned. It was said by the government House leader that more speeches should take place on third reading and at the report stage. I am one of those who believes that in practice, unless we speak on second reading, what we might say at third reading and at the report stage will be of little value in explaining to the public at large what we think about a particular piece of legislation. I am one who supports strongly the suggestion that debate in this House at second reading is the most valuable way in which issues can be put before the Canadian public.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, in speaking on this motion, I think there are a few facts of which I should like to remind the House. The subject of Bill C-58 has been a matter of public debate for at least two decades. The government announced its intention to move on this matter on January 23, 1975, in a statement in the House by the Secretary of State (Mr. Faulkner). Three of the respondents for the opposition, the hon. members for York-Simcoe (Mr. Stevens), the hon. member for Sault Ste. Marie (Mr. Symes), the hon. member for Lotbinière (Mr. Fortin), expressed basic support for the policy announced in January. In this regard one need only check *Hansard* of January 23, pages 2527 to 2529. If one does check the

exchange of hon. members, one will see that all three hon. members indicated they had been impatiently awaiting that announcement. The hon. member for York-Simcoe began by saying:

—I would first like to say, on behalf of the official opposition, that we are pleased the government has clarified this matter at long last.

The hon. member for Sault Ste. Marie and the hon. member for Lotbinière echoed this comment. We can see that the policy to be implemented under Bill C-58 was announced almost ten full months ago and on April 17, almost seven months ago, notice of the ways and means motion on which the bill was based was laid before the House. The next day, April 18, the bill was given first reading. This bill has been debated at second reading stage for six days, May 8, 16, 20 and 26, June 4 and November 12, for a total of 19 hours. Some 47 members have spoken—12 Liberals, 30 Conservatives, 3 members of the NDP and 2 Social Credit members.

While this extensive debate has been going on for hours, spread over seven months—ten, if you deal with policy—we have been exposed, as well, both publicly and privately to the views of persons and corporations directly affected. We have heard from *Time, Reader's Digest,* the American broadcasters, *Maclean's* and other interested Canadians both within and outside the media. We have heard claims and counterclaims; we have heard rumours and counter-rumours but all we have come up with thus far in the House of Commons is talk.

Some hon. Members: Oh, oh!

Mr. Anderson: We do not need much more talk now.

An hon. Member: What are you doing? Where have you been?

Some hon. Members: Oh, oh!

Mr. Anderson: We have had 19 hours of talk, and the government proposes another five hours. After that, in order to be in a position to make decisions the House of Commons will need facts; and the place to get the facts is in committee, not at second reading. The Standing Committee on Broadcasting, Films and Assistance to the Arts can call witnesses. Interested parties and representatives of *Time* and *Reader's Digest* can appear at that time to put their case to the committee. Then the committee can make a decision based on the facts. Eventually, so will the House be in a position to make its decision based on facts and not, as has been the case on occasion in the past when there has not been too much fact, perhaps on posturing and other things outside the realm of actual fact.

The time has come for the bill to go to the committee. Those who have been so concerned with this matter have the right to make their case in public. The government has no desire to unduly restrict debate.

Some hon. Members: Oh, oh!

An hon. Member: Where have you been?

Mr. Anderson: The government has no desire to unduly restrict debate, especially on a measure that concerns the media. However, one cannot but conclude that all points of view will be expressed more than adequately after 24 hours of debate. The time has come for the bill to go to the committee. If I may use the words of the hon. member for York-Simcoe, the time has come for the bill to go to the committee "at long last". Amen!

[Mr. Anderson.]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, from the speech of the hon. member for Comox-Alberni (Mr. Anderson) it is obvious to most of us that he just came in and has missed the speeches of the right hon. member for Prince Albert (Mr. Diefenbaker) and the Leader of the Opposition (Mr. Stanfield).

An hon. Member: He was just lucky, I guess.

Mr. Baker (Grenville-Carleton): The point of those speeches, particularly the speech by the Leader of the Opposition, was to the effect that the guidelines relating to how this bill is to be applied have only been the subject of debate, in terms of time, for 3½ hours. I think the hon. member missed the point completely. No one will deny, in so far as second reading is concerned, that there have been a great number of speakers. I wish there had been more speakers from the government side, rather than those members sitting there like the trained seals they are, backing up everything this government does, good or bad. I am glad there are a few in this House who are prepared to stand and say that this government is wrong. There are very few on that side of the House who are prepared to do that—and the hon. member for Comox-Alberni is not one of them. The whole point of the speech by the Leader of the Opposition was that these guidelines and how they are to be applied—which is really the guts of the bill—has only been the subject matter of debate in this House for 3½ hours.

Someone has asked what parliament is all about. Parliament is a place to discuss these issues. I have listened to the arguments and I have read the statement of the President of the Privy Council (Mr. Sharp) in respect of the length of time of debate. The only thing that statement has done is indicate just how inadequate the President of the Privy Council has been in respect of the management of the business of this House. The hon. member for Winnipeg North Centre (Mr. Knowles) called him stupid. Well, I have not been here long enough to say that.

● (1610)

Mr. MacFarlane: He did not say that; he is too honourable.

Mr. Baker (Grenville-Carleton): But I have been here long enough, Mr. Speaker, and I have had enough to do with the management of the business of this House in the short time that I have been here to realize that the management of this place has been stupid. There are members from all sides of the House who are interested in reforming the rules. I have on the order paper a private bill regarding the order of business, and the hon. member for Peace River (Mr. Baldwin) issued a very detailed and long statement on how he would like to see the business of the House organized. But one thing none of them has said is that the business of the House should be organized in such a way that the members of the House, whether they sit on the

government side or the opposition side, should be muzzled when we talk about a matter of significant public interest.

There can be no doubt about the interest of the public on this issue. I do not know of any issue, whether it be capital punishment, abortion or bilingualism, about which I have received so much mail—not form letters such as we get on some issues, but letters from people who felt so strongly with respect to the matter that they decided to pick up a pen and write a letter in their own way. Some say that that has been induced by a campaign, but nonetheless those are sentiments expressed by Canadians whom the closure rule should not muzzle.

In so far as the management of the business of the House is concerned, let me just say that if there had been reasonable communication between the government House leader and the opposition House leader with respect to the length of time, we would have found, perhaps, that the debate would have finished much sooner than it will finish now. The hon. lady opposite—I am reluctant to call her that, because we will have a question of privilege—is shaking her head to say no. I happen to know that that is so.

I do not know who the messenger boy was that was sent over from the government side to determine how long this debate would last. If it was the whip of the government, then I can understand how the mistake was made. But if the government House leader had come across and spoken to his counterpart, as he calls him, concerning the number of speakers in the debate, I think he would have ascertained the length of the list of speakers. But more important than that is how this House can stand such stupidity. We have been standing stupidities as long as I can remember since 1972. As long as I have had to look at the government opposite, we have been standing inadequacies in management. But the one thing we should not do, and it is very important when an issue has had so little time for the type of real debate that counts—only 3½ hours, as mentioned by the Leader of the Opposition (Mr. Stanfield)—is to cut off the backbenchers of the House, members of the House who are not members of the government, members who represent people of varying opinions. In that respect this government is wrong and the House leader is wrong, and anyone who supports the government or its House leader is wrong: hon. members know that.

Some hon. members, as I look across the chamber, appear to feel somewhat badly about what has happened because they know how important this bill is and how strong the feelings are, but many of those members should have had some influence on the government House leader. What was so important that it could not, by natural attrition, have waited until Monday night—two debating days?

Mr. McRae: What is so great about Monday night?

Mr. Baker (Grenville-Carleton): The hon. member, as usual, does not know what he is talking about.

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member should address the Chair.

Mr. Baker (Grenville-Carleton): May I say, through you, Mr. Speaker, that the hon. member does not know what he is talking about, as usual. The proof of that was in the speech he made a little while ago.

An hon. Member: Are you speaking *ex cathedra*?

Mr. Baker (Grenville-Carleton): I heard something from the hon. member for Hamilton Mountain (Mr. MacFarlane). I expected something of greater significance. I think there is an extremely important aspect of the bill which should not be forgotten by members of the House when they rise to vote on this measure, and that is the matter referred to by the Leader of the Opposition, namely, the clarification of these guidelines at long last. How these rules were going to be applied was only clarified to the extent of the debate of the House, and we have had only 3½ hours of debate.

An hon. Member: And eight speakers.

Mr. Baker (Grenville-Carleton): Whether there were eight, nine or ten speakers, there were only 3½ hours of debate, and I think this is a travesty of the rules. As the hon. member for Winnipeg North Centre has said, it has set back the business of consultation perhaps by a session with respect to the rationalization of the rules of this House. A shameful act has been committed today and this government, as well as those who support it, should be ashamed of themselves.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will try to avoid responding in kind to the type of argument or lack of argument advanced by the hon. member for Grenville-Carleton (Mr. Baker). I will try to resist the temptation of discussing the merits or demerits of whips and other personalities in the House. In fact, I will try as best I can to stick to the procedures and methods of debate which have characterized this House for some time.

First of all, I would like to relate very briefly the history of the bill. I gave notice of the government's intention to introduce the bill on January 23—11 months ago. A ways and means motion was put before the House by the then minister of finance on April 17. Second reading started on May 8. The subject matter of the bill has been before the House and the people of this country, at least formally, for 11 months. Today, we are on the seventh day of debate. We have had 47 speeches. All that the motion before the House today does is to move this bill forward from second reading to committee stage.

I find it rather hollow to hear the hon. member for Grenville-Carleton talk about what was said or was not said in the discussions between House leaders, and I find it rather hollow to hear the hon. member for Winnipeg North Centre (Mr. Knowles) talk about there being a better way. The fact is that there were discussions. This government made it absolutely clear that our preferred route was Standing Order 75A—an agreement amongst all members of the House. In fact, we did not get that agreement, and this is what the President of the Privy Council (Mr. Sharp) said. We then went to Standing Order 75B, and we could not get agreement on that either. I find it rather hypocritical for members of the official opposition to talk about the debate ending on Monday or about five o'clock this afternoon, or about some mythical date for which at no point yesterday was there any support and of which there was no mention.

Some hon. Members: Hear, hear!

Mr. Faulkner: I also find it hollow in the extreme to hear hon. members such as the hon. member for Grenville-Carleton talk about the rights of parliament as though somehow that sanctimonious individual was any more concerned about these rights than are members on this side of the House.

● (1620)

Some hon. Members: Hear, hear!

Mr. Faulkner: In fact, if the government had not tried to use the Standing Orders of this House—and they are not rules for the government; they are Standing Orders approved by the House and they are available to the House—and had not moved after all this time, given the range of other pieces of legislation before the House and pending legislation dealing with housing, government annuities and a range of other questions, I would say we would have stood, if not condemned then at least criticized for an irresponsible waste of parliamentary time.

Mr. Baker (Grenville-Carleton): You are condemned now.

Mr. Faulkner: This bill is simple. It has been around since at least 1961—since at least the royal commission. I find this extraordinary. Here I am, a rather new member of parliament, implementing the recommendations of the O'Leary commission. He is a well known Tory and a distinguished defender of civil rights and the right to free speech—and I am accused of censorship by the Tories.

Some hon. Members: Hear, hear!

Mr. Faulkner: The debate has been long and repetitive. We heard hon. members like the hon. member for Crowfoot (Mr. Horner) quoting editorials from Belleville or Sudbury papers. I am not sure of the names and I apologize, Mr. Speaker. The hon. member has never read those papers before, but yesterday they were the cornerstone of his debate and suddenly oracles of truth. These papers are relatively unknown; he certainly never reads them.

The principle behind Standing Order 75C, the issue before this House today and the vote which will take place in a few minutes, is whether an important public bill can be killed by debate rather than by a vote. That is the issue.

Some hon. Members: Hear, hear!

Mr. Faulkner: Hon. members opposite know perfectly well that no responsible government could go on forever debating Bill C-58.

Mr. Baker (Grenville-Carleton): Who says it is a responsible government?

Mr. Faulkner: They understood that, and their tactic was not to let it come to a vote, which is essentially what this chamber is all about; their tactic was to kill the bill by talking it out. That is what the issue is all about.

Mr. McRae: Filibuster.

Some hon. Members: Hear, hear!

Mr. Faulkner: What makes it all the more puzzling and what makes the position of the official opposition all the more difficult to take seriously is when one recalls that the spokesman for the official opposition, the hon. member for Brome-Missisquoi (Mr. Grafftey), stood in the House and asked me this question on October 8, 1974:

> Mr. Speaker, I wish to direct my question to the Secretary of State. In view of the financial difficulties of *Saturday Night* and several other Canadian publications, when does the government intend to keep its promises and remove tax exemption from *Time* and *Reader's Digest*?

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): We thought you would bring in a sensible bill.

Mr. Baldwin: What were you saying about controls at the same time?

Mr. Faulkner: That was not just a fly-by-night, sort of sporadic happening by the hon. member for Brome-Missisquoi, because he was representing the official opposition, speaking on behalf of them and declared by his leader to be the official spokesman for the party on matters pertaining to the Secretary of State. So like any good spokesman, he came back to the issue on October 22. He was not satisfied with the answer he received from the Secretary of State, so he asked the then minister of finance the following:

> Has it been brought to the attention of the minister that if these privileges for *Time* were ended sufficient advertising dollars would be available to enable a Canadian magazine to go on the market immediately on a weekly basis? Has the hon. gentleman been in touch with the Secretary of State with regard to studying the question of tax privileges for *Time* magazine?

Then we came into 1975 when there was the announcement in January. What was the official position of the official spokesman of the official opposition in response to my proposal that we remove the exemptions? Let me quote from page 2527 of *Hansard* for January 23. The hon. member for York-Simcoe (Mr. Stevens), who is noticeably absent today, said:

> —in responding to the statement just made I would first like to say, on behalf of the official opposition, that we are pleased the government has clarified this matter at long last. We believe that the move to eliminate the income tax advantage shared mainly by two magazines, *Time* and *Reader's Digest*, is a good one.

Some hon. Members: Hear, hear!

Mr. Faulkner: A year later we are accused of invoking closure, arrogance and denying the right to free speech on a bill which they themselves over the period of a year have supported. Mr. Speaker, you will understand it if from time to time we on this side of the House have difficulty taking the official opposition seriously.

Some hon. Members: Hear, hear!

Mr. Faulkner: The final point I wish to make is this. This issue does not just affect hon. members of this House; it affects a whole range of people outside who are advertisers, publishers and owners of television stations. I submit that they have a right to know where parliament stands on Bill C-58, they have a right to a decision from this House, and all we are asking today is that this bill be moved into committee where those who have interests involved and those who have ideas on this subject can meet before the

parliamentary committee and make their views known. This does not seem to be such an unreasonable request. This seems to be totally consistent with the very best practices and traditions of this House, and I suggest that to follow the route proposed by the official opposition would be tantamount to a callous indifference of the rights of people outside this House.

Some hon. Members: Hear, hear!

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I am somewhat discouraged and saddened to be rising at this time.

An hon. Member: So are we.

An hon. Member: Then sit down.

Mr. Dick: I was going to support, and perhaps will support, the government in this proposed legislation.

Some hon. Members: Hear, hear!

Mr. Dick: I noticed last night, when reading all the speeches to date and before deciding to partake on this, the fifth complete day, that of the 11 speakers on the government side fully one-third of them disagreed with the policy of the government. I wonder whether the government is imposing closure today in fear of losing more of its backbenchers than it can afford, and therefore losing the measure.

Some hon. Members: Hear, hear!

Mr. Dick: I have listened to the sanctimonious Secretary of State (Mr. Faulkner) who, with great oratorical prowess—or he thought it was—tried to say that the Conservative party had always stated it was supporting his proposal. He tried to say many things, but in fact he forgot to tell the people that he was supporting a royal commission which advocated the following:

—in an area as vital and sensitive as that of the press, whatever is done should be positive rather than negative, with the goal the promotion of the Canadian periodical, not the suppression of the foreign.

● (1630)

He did not quote that, but he should have. It is my judgment that the bill is headed in the right direction, one in which I happen to believe.

Some hon. Members: Hear, hear!

Mr. Dick: I hope my hon. friends on the government side will be as quick to applaud when I point out that there are many errors and omissions in this bill. If they had the courage of their convictions and the courage of good government and would listen to other people, they might introduce measures to strengthen the bill, such as the Canadian-owned distribution system recommended by the Davey committee and the hon. member for Fundy-Royal (Mr. Fairweather). They might also consider a review of the postal rate structure as it affects small Canadian magazines. This cannot be done in committee. The only thing this bill deals with is the Income Tax Act; if the hon. member who is interjecting would read the bill, he would know that. It has nothing to do with distribution and postal rates. Read the damm bill!

Some hon. Members: Oh, oh!

Mr. MacFarlane: That's rude.

Mr. Dick: It is not rude when the stupid member happens to say he can amend it in committee. If he can tell me how that can be amended in committee, he can stand up and I will sit down.

The Secretary of State should not have tried to speak to the present motion on this bill he was putting through the House. It would probably have been better had he let the thing run its course. I am afraid the President of the Privy Council (Mr. Sharp) has inflamed emotions in this country. We will now have more editorials than ever, and I dare say this subject has caused more editorials in the last 12 months than anything other than prices and income controls.

I believe members of this House have received more correspondence on this subject in the last 24 months than on any other topic. My own mail on it runs twice as much as on capital punishment. Yet we will deal with capital punishment in 15 or 20 days. If abortion were brought in, we might deal with that in 15 or 20 days. We always have ten days for a budget, and we will go on for a long time on prices and income controls. A lot of people feel that this bill is a type of censorship and that there is control of or interference with a free press. They are writing letters to that effect. Why not let this House have full discussion of the subject, rather than closing it down?

I abhor this procedure. I think it is unfounded and unnecessary. If the President of the Privy Council had his wits about him and knew what was going on in this House, he would know there are maybe six people still to speak from this side. I want to say that I abhor the use of closure on a bill dealing with civil liberties and an area of the Bill of Rights. A lot of people perceive it as such, and that is good enough for me. This bill cannot be amended effectively in committee, and I think it is a mistake to bring in closure.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, when a motion such as this one is under consideration, we must not forget a quite important concept of our parliamentary system.

When some provisions are practically never enforced and are at a given moment, one wonders why a debate is unilaterally restricted. And when we look for the reasons prompting the government to restrict the debates at a given moment, we find that it is always due to the evident unpopularity of a bill or still an excessive haste to enforce a bill to which Parliament sees no urgency.

Mr. Speaker, this is a consequence of an inconsistent system and the basic reason of that inconsistency is the following: we are not free to vote and this fact must be mentioned. The vote is not free. This is so true that from time to time a motion is moved to indicate that the vote will be free, which means that at other times, it is not.

When time came to vote on maintaining capital punishment or against the abolition of capital punishment, we

were told that the vote was going to be a free vote. This means that, usually, a vote is not free. There is nothing more stupid in our parliamentary system than this lack of freedom about votes, since it is known in advance that the voting machine will be started on the other side of the House, that it will say yes because the government said so, regardless of the consequences in every electoral district represented by the members on the government benches.

Mr. Speaker, there is no use denying it, it is a fact, that is how it happens here, that is what I have seen for the last eight years. When you are stuck with such a system, the only thing left to do is to try, even then, to force the government to find measures that people will approve, and only those which promote emancipation and development of the whole of the country.

We have no other solution to force the government to change certain things we consider inappropriate or improper; all we can do is talk about it, insist upon it and repeat it so that at some point the government may change because we contend that it must be changed. Striking, the last resource, is the only way workers have in the present system to try to solve their problems.

The parliamentary system forces us to that. That could be remedied however if Parliament were changed. Evidently, each member would first have to recover the basic freedom we fundamentally need if we are to respect and reflect the opinion of those we pride ourselves on representing. But, Mr. Speaker, that would require at least that every vote be a free one. All we need do is get rid of established precedents and traditions whereby no government bill may be defeated. That is why our hon. colleagues on the government side make a point of voting always against their opinions, sometimes against their conscience and against their own constituents. If we were to establish the balance sheet of all these contradictions, we could end up with surprising results.

A free vote, therefore, would be the initial step to take if we want to do away with debates which last unduly. Only then could we be sure that at the time of the question, the result would reflect the opinion of the majority, while we know now that the number of votes in favour of this bill will be that of hon. members of the Liberal party present in the House. The result will not depend on the value of the bill, but on the number of members in the House. That is a question of party strength and not of opinion, which is quite unfortunate. This could be remedied by a free vote. Then, it could be easier to limit the debates if we had what our party has been advocating for a long time, fixed sessions; when we know when the session is beginning and when it is going to end, it is a lot easier to determine within this time frame how long it will take to discuss the government's legislation. In those circumstances, we, from the opposition, would not object to the government setting a well established schedule enumerating the pieces of legislation the government would put before the House. Then, we would know exactly when a legislation would be put before us and we would be a lot less inclined to discuss it at long length, whereas presently we never know what will be put before us the following week, the following day and even the following hour.

Now, all those ambiguous and equivocal situations bring us, that is the government, to try and play tricks on us by rapidly passing controversial bills, and so on. We play hide-and-seek instead of being serious and discussing objectively the intrinsic value of a bill. This is not really serious when we see that it is the way it goes. So, I take advantage of this motion to ask all members of the House to stop some time and set up to change what is wrong in the parliamentary system and sometimes brings the government to use unilaterally what it is agreed to call coercitive means to pass a bill. This is not normal. And being serious people, we could remedy this.

To conclude with, I repeat my suggestions: first, we should have a really free vote from each hon. member in this House; second, we should have sessions at a determined date so that the debates are not unduly extended; and third, we should have in advance a determined agenda of the government's intentions with the order they want to follow for the study of the different bills during the session. So we would not need this Standing Order 75C any more which whether we like it or not cannot be accepted by people who are really serious.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it would seem that the debate is starting to turn and transform itself into a general debate on our Standing Orders, the procedure, the rights of the members to speak about democracy, and finally all our institutions. To my mind, those who are endeavouring to steer the debate in that direction are merely trying to create a smokescreen to hide the real issue. And that is, that 47 speakers have already spoken for 19 hours on a two-clause bill. Which brings up this question: Is it not enough that 47 hon. members spent 19 hours speaking on two clauses? My answer is this: That is quite enough. And that is the first reason that led the government to have recourse, for the first time, I believe, to Standing Order 75C.

The other reason is that no other agreement was reached between the parties of the opposition and the government. A while ago we heard the hon. member for Winnipeg North Centre (Mr. Knowles) say that we could have come to an agreement. But that is crying over spilt milk. Although it has been impossible to come to an agreement for at least two weeks, we know that House leaders are meeting to discuss this topic after systematically refusing to give at least summary indications to the government House leader as to whether or not it would be possible to come to an agreement.

Having precluded all possibility to come to an understanding, they now come to the House to say: "If only the government were not so rigid and did not demand the implementation of Standing Order 75C! They even go so far as to say: If the government had not been so stupid, we could have reached an agreement. If this could have been done, it would have been before, but that did not come to pass. Now clause Standing Order 75C is being implemented and it seems to me that it is very useful. I contend that hon. members of the opposition who are against it and who are trying to put democracy on trial should conduct opinion polls in their constituencies just as we do on the government side of the House, they would then realize that the people have had debates which drag on and on in the House of Commons, and that they, the taxpayers deem inefficient.

I have been told so in the course of the seven years that I have been a member. Never has a week gone by without a voter telling me, especially now that we are a majority government: I wonder how you, the majority government, cannot pass such and such measures? Then, Mr. Speaker, we have to spend minutes and hours explaining the Standing Orders of the House of Commons to these persons, trying to convince them that the government does not control Parliament, but that in fact the members do, and that the opposition often decides when such measure will be passed, because of the number of members it wishes to have heard. The truth is that we use Standing Order 75C because it is about time, because enough is enough and because we have to reach a decision.

Mr. Speaker, as chairman of the Committee on Broadcasting, Films and Assistance to the Arts, I wanted to be heard, because I wished to give some details. Canadians are looking forward to see this bill go further and I am in a good position to know it, as chairman of the committee.

And I can tell you that there are 22 witnesses, I have the list here, who are waiting to appear before the committee and who have been calling me for months every week to ask what is happening in this House or how come we cannot stop those interminable palavers. In fact, Mr. Speaker, we will indeed do it through Standing Order 75C. I should like all members to note that those who rose on the other side against the motion are not members of the opposition who sit on the Committee on Broadcasting, Films and Assistance to the Arts because these members are also asking me when the bill will be referred to the committee.

And yet hon. members of the opposition who sit on the Committee on Broadcasting, Films and Assistance to the Arts are certainly most interested to see that this bill receive fair treatment but they are the first to understand that after 47 speakers and 19 hours of debate it is time to refer the bill to the committee. They are eager to see the witnesses appear before them. The people who are most interested, those who are affected by this bill and who wish to appear before the committee, the members of the opposition, the members of the Committee on Broadcasting, Films and Assistance to the Arts ask me if they will have the opportunity to meet those people and talk to them in person. Let us stop making this seem like a debate on democracy, let us be honest and realize that some filibusters must stop and that time has come to put an end to this one.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Grenville-Carleton (Mr. Baker)—Housing—Request for assurance no interference with installation of infrastructure to service development in southwest part of city; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Communications—Alleged deterioration of telephone communications systems—Suggested denial of rate increases pending improvement.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

TIME ALLOCATION MOTION WITH RESPECT TO BILL C-58

The House resumed consideration of the motion of Mr. Sharp:

That, in relation to Bill C-58, an act to amend the Income Tax Act, five hours shall be allotted to the further consideration of the second reading stage of the bill; and

That, at the expiry of the fifth such hour, Mr. Speaker shall interrupt any proceeding before the House, if required for the purpose of this order, and shall forthwith put, without further debate or amendment, every question necessary for the disposal of the second reading stage of the bill.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, the hon. member for Saint-Jacques (Mr. Guilbault), the chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts, suggested that this legislation will affect most directly the witnesses who are to appear before the committee. It is obvious that he has missed the mark completely. It is the people of Canada who will be the most affected by this legislation. It is they who will suffer or benefit from it.

● (1650)

The May 9 committee minutes which the hon. member mentioned record the comments of a government member who coined a phrase when addressing those comments to the minister, "culture paranoia." That is a good term; it is descriptive; it describes perfectly the government's mental health, not only about culture but also about open debate. The government cannot stomach sustained 3½-hour opposition. It cannot stand open debate which examines and displays to the public view the inadequacies and fallacies of this legislation.

The minister made some very specious and fatuous comments about the procedure of the House and his respect for that procedure. What has not been pointed out is that it is his lack of respect for procedure in the House that has brought us to this pass. The minister has mentioned outside the House that the deadline for this legislation is January 1. The effect will then be felt by the Canadian people. That is why the government has to impose closure. If the government is going to save face for the minister and for itself, it will have to see this debate through, and through in a hurry. Otherwise, the minister will have to backtrack—and that is some thing he cannot do; at least, he does not enjoy it.

Two weeks ago the minister was interviewed over CBC radio. He was asked whether there was a lot of opposition

to this bill. His answer was something like this, "Oh, no; just a few insignificant members." That quotation may not be quite accurate, but it is the essence of what the minister said.

Mr. Faulkner: It is not even close to accurate. It is a distortion. Let us see the transcript.

Mr. Friesen: I have been wondering ever since if some of those "insignificant members" are on the government backbenches. That is an indication of the minister's respect for parliament and the parliamentary process.

This is an issue we cannot avoid. It is censorship not only in the legislation but now in the process by which we come to this legislation. I am waiting to meet the 22 witnesses who will come before the committee. I trust there will be a lot more who will be added to the list. I am thinking of some who I am sure are not on the list. I hope the government is open enough to accept suggestions and will include witnesses who may not yet be on the list. I hope it will extend the courtesy of open debate and examine this legislation in that light and spirit so that we will have the best possible legislation for the people of Canada.

Mr. Jake Epp (Provencher): Mr. Speaker, in speaking to the motion of the President of the Privy Council (Mr. Sharp) to muzzle this House and bring in closure, notice of which he gave yesterday just prior to Your Honour recognizing me to speak on Bill C-58, one or two points have again to be drawn to the attention of this House. Members of the House have a responsibility to present the views of their constituents. This might be regarded as insignificant by some. However, I am surprised at the number of people who have written to me, and I understand other members have had similar responses, to specifically express their viewpoint on Bill C-58. The viewpoint they have expressed overwhelmingly is that they do not favour government interference in the existence of *Reader's Digest* or *Time* Canada.

The government says that all this closure motion will do is to take Bill C-58 from second reading in the House of Commons to the committee stage for examination. I must point out that the only way we can get the government to react is to keep on hammering in the House on a specific issue. When a matter comes to committee, the majority that the government enjoys is used in the same way as it is used in the House of Commons: they do not necessarily look at amendments to improve legislation but view them as a mad means by which the opposition is trying to embarrass the government into substantially changing legislation.

The government reminds me of the story of the farmer and his mule. One day he loaned the mule to his neighbour. The neighbour could not get the mule to work. The owner said there was no problem. He picked up a fence post which was lying nearby, hit the mule over the head, and it immediately started to work. When the neighbour asked why he did that, the farmer replied, "First you have to get his attention". That is how we have to handle this government. It seems we must make speeches for days and days before we can get their attention. Thousands of letters from ordinary citizens must be sent to this government before it will respond, if it responds at all. The way it is

responding in this case is to muzzle parliament by bringing in closure.

We have questioned the government about the manner in which *Reader's Digest* and *Time* must become sufficiently Canadian in order to survive in this country. The government did not give us the details until just a short while ago when the Minister of National Revenue (Mr. Cullen) tabled them in the House. We have had 3½ hours of debate. The real reason this legislation is now before us is that the President of the Privy Council and the government whip cannot guarantee how many government members will abstain because they would like to vote against Bill C-58. I know they have been receiving the same correspondence as members on this side. Therefore, the muzzle is not only on parliament as such; it has been placed on members of the government.

As my colleague pointed out, of those members on the government side who spoke, one-third spoke against the bill. What about the minister? He says it is 11 months since the bill was given first reading and, therefore, placed before the people of Canada. It almost seems that he believes if a bill is on the order paper long enough, even though it is not debated, it should be passed simply for that reason. That is the conclusion that can be drawn from that statement.

● (1700)

The real issue is that almost everything the Secretary of State (Mr. Faulkner) has touched has gone bad. Consider the criticism we hear today about the CRTC and Canadian content and the meddling of the CRTC not only on Canadian content on television but on the cable question. The minister has touched on all those areas.

The same thing with the CBC. The minister, again, has made many Canadians take notice of what is happening in the CBC. But I am sure what has really happened is that the minister has come on hands and knees, grovelling to the Prime Minister (Mr. Trudeau) and saying; Let's bring back Bill C-58 because my personal reputation is at stake." That is why he had to get the use of closure, to show that he is tough, that he has clout within the cabinet when in fact he is just a lightweight. Maybe he is also one of the nobodies the Prime Minister described us as being some time ago. That is why he wants to have closure brought in. That is why he wants to show Canadians that the cabinet must now support him. Because it was my understanding about two weeks ago that it was very likely Bill C-58 would not be brought back to the House, that there was a lot of cabinet opposition to the bill and the cabinet would just as gladly like to see it die and not see the light of day any more.

However, that would have brought into question the reputation of the minister and it would have brought into question the guarantees he has given to various Canadian associations, not least of which are *Maclean's* magazine and the Canadian Periodical Publishers Association. So he had to come to the President of the Privy Council (Mr. Sharp) and he had to go to the Prime Minister and literally beg for his political life. That is why closure is upon the House.

There are issues which are important, and this is one of them. When Canadians speak, I believe parliament should listen, and the government has not listened. They have

muzzled us. It is not as important that they have muzzled us as they have muzzled those people who have responded to the issue of Bill C-58. It is a sad day and what I said yesterday I repeat today: I hope members of the government party, the backbenchers who are opposed to the bill, and especially those who are opposed to the methodology by which it is being rammed through the House, will get up and speak not only in the House of Commons by their vote but also in the inner councils of their party and say to the members in the front row that the method used is wrong and more freedom should be granted in the expression of the Canadian will, which I believe the government at this time is not doing.

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, it is indeed a pleasure for me to rise and speak for this motion with respect to Standing Order 75C, although I think the Secretary of State (Mr. Faulkner) in his speech this afternoon has more than justified any reason for the use of that Standing Order. However, I am astonished at the tone of this debate. Having spent six days on this subject, and in particular yesterday, to say that little has been said by the opposition is quite true. The statement of the Minister of National Revenue (Mr. Cullen) has been publicized for at least two weeks, but nothing—or very little—was said about it yesterday. In fact, it was a repetitive session of listening to editorials which we have all received from the people who sent them to the official opposition. Again, I think it has not been clarified here that Standing Order 75C is not closure; it is a motion to allocate time.

Some hon. Members: Oh, oh!

Miss Campbell: We have already heard one hon. member saying where closure comes from; it came from the Rt. Hon. Sir Bobert Borden sometime in the past.

An hon. Member: A rather obscure Tory.

Miss Campbell: Actually, section 75C has two conditions to its use; one is in section 75A where unanimous consent to allocate time is not arrived at, and section 75B where a majority decision is not arrived at to allocate time. It has been well said here this afternoon by members opposite that there was no going around to find about allocating time. I know this for myself, I checked with each party as to how many speakers there would be, as parliamentary secretary to the minister concerned with Bill C-58, and was told there would be many. There was never any indication as to when debate would be ended.

Limitation on debate is something many members have been asking the government to impose in the past. Certainly it is being used effectively under the British system and no one cries "Closure". In fact, it can only lead to better debate within the time allotted and better use of the time of the House. There are no individual rights involved respecting members being cut off, because most members of the official opposition have spoken or have had an opportunity to speak on the bill. I feel, therefore, it is time the House began to use some of its Standing Orders.

The Acting Speaker (Mr. Turner (London East)): Order. It being 5.08 p.m., the two hours allotted for consideration of the motion before the House under the provisions of Standing Order 75C have expired. Accordingly, under the terms of the Standing Order it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the motion.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Call in the members.

The House divided on the motion (Mr. Sharp) which was agreed to on the following division:

● (1710)

(*Division No. 77*)

YEAS

Messrs.

Abbott
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Béchard
Bégin (Miss)
Blais
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Corbin
Corriveau
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Douglas
(Bruce-Grey)
Drury
Dupont
Duquet
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacFarlane
MacGuigan
Mackasey
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Richardson
Robinson
Rompkey
Rooney
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stewart
(Cochrane)
Stollery
Tessier
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Watson
Young—106.

Time Allocation Motion

NAYS

Messrs.

Alexander	Hees	McCain
Alkenbrack	Hogan	McCleave
Allard	Holmes	McGrath
Baker (Grenville-Carleton)	Horner	McKenzie
Baldwin	Howie	McKinley
Beaudoin	Huntington	Mitges
Broadbent	Jarvis	Murta
Clark (Rocky Mountain)	Jelinek	Orlikow
Clarke (Vancouver Quadra)	Johnston	O'Sullivan
Dick	Kempling	Paproski
Diefenbaker	Knowles (Winnipeg North Centre)	Patterson
Dionne (Kamouraska)	Lambert (Edmonton West)	Peters
Douglas (Nanaimo-Cowichan-The Islands)	Laprise	Ritchie
Elzinga	La Salle	Rondeau
Epp	Lawrence	Rynard
Fairweather	Leggatt	Saltsman
Firth	MacKay	Schumacher
Friesen	MacLean	Smith (Churchill)
Gilbert	Macquarrie	Stanfield
Halliday	Malone	Symes
	Marshall	Towers
	Matte	Wagner
	Mazankowski	Whittaker
		Wise
		Yewchuk—68.

● (1730)

Mr. Speaker: I declare the motion carried. It being 50 minutes from the time arranged by special order to be the expiry of private members' hour, I assume the House will now proceed to private members' hour and will begin debate on the order of business we have been dealing with at eight o'clock this evening.

Mr. Baldwin: Mr. Speaker, may I put in a good word for that distinguished member of the House, the hon. member for Vegreville (Mr. Mazankowski), whose motion will be before the House in private members' hour dealing with an attempt by the government not to produce certain documents?

Some hon. Members: Oh, oh!

Mr. Baldwin: In order that it be granted full time, I suggest it would be in order for the government to consider the continuation of the debate on this motion next Thursday so that the motion can remain at the top of the list.

Mr. Speaker: Is that understood and agreed?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to the business of the House for tomorrow. A motion has been put down by this party, tomorrow being our allotted day, under Standing Order 58(9), which means that it will come to a vote. However, there have been discussions among the House leaders and it has been agreed that the vote, instead of being taken tomorrow evening at five o'clock, will be deferred until 9.45 p.m. on Monday. In other words, the debate will continue until five o'clock tomorrow and the vote taken as I have indicated.

[The Acting Speaker (Mr. Turner (London East)).]

Mr. Speaker: The house has heard the terms of that motion. Is it agreed.

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

MESSAGE FROM THE SENATE

[*Translation*]

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-30, an Act to incorporate Continental Bank of Canada, to which the concurrence of this House is desired.

[*English*]

I understand that we are able to dispense with the calling of all the motions on the order paper.

● (1740)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

COPIES OF CORRESPONDENCE BETWEEN SUNSET CREST LTD. AND EMPLOYEES OF AIR CANADA

Mr. Don Mazankowski (Vegreville) moved:

That an Order of the House do issue for copies of correspondence and agreements between Sunset Crest Ltd., now a subsidiary of the Barbados Shipping and Trading Co., and any employee of Air Canada or its subsidiaries.

He said: Mr. Speaker, at the outset I must say that it is of utmost significance that this motion should follow the debate which just took place this afternoon, the debate on closure, which I believe illustrates that the government not only wishes to muzzle members of parliament and deny them the right to speak in this House on important issues, but here we have a motion which clearly illustrates the refusal of the government to provide information on a very important issue, an issue which is very timely, and the House is entitled to be provided with this information.

The reply to motion No. 36 was given by the former parliamentary secretary to the former minister of transport. This reply is similar in nature to many replies we receive from time to time on motions of this nature. The former parliamentary secretary, the hon. member for Battleford-Kindersley (Mr. McIsaac), pointed out the following:

The requested documents are of a proprietary nature and Air Canada believes this information should not be made public for competitive reasons. I therefore ask the hon. member to withdraw his motion.

That is recorded at page 4650 of *Hansard* for April 9, 1975. That is the standard stock answer which is peddled by this government every time we attempt to elicit information on this most favoured, pampered pet of the government, namely, Air Canada.

Air Canada has become a corporate disgrace. The former parliamentary secretary at page 4650 indicated that information was withheld for competitive reasons. This answer

is similar in nature to the one provided to me by the former parliamentary secretary to the President of the Privy Council (Mr. Sharp), the hon. member for Kenora-Rainy River (Mr. Reid) on February 19 at page 3362 of *Hansard* when I requested copies of all Air Canada documents relating to an Air Canada contract. The hon. member for Kenora-Rainy River at that time pointed out the following:

> The Air Canada contract contains considerable confidential information relating to the organization, operation and maintenance of the Air Canada lines. Air Canada's competitors are not obliged to provide such information or expose their contractual arrangements to similar scrutiny. To place Air Canada in such a disadvantageous position would not be in the public interest.

The fact of the matter is that upon further investigation this contract was found to be available at the public archives, and when we proceeded with the debate, the hon. member for Battleford-Kindersley agreed to table the documents, having regard to the fact that I had already procured a major portion of them. However, I think it is of significance to note some extracts of his speech because I think the feeling he has expressed is shared by many hon. members that the parliamentary secretary does exercise good judgment, and I am sure many hon. members will agree with the statement he made in response to my request for this documentation. At page 5606 of *Hansard* he stated, and I quote:

> I do not mind telling the hon. member that I agree in a general way with the spirit of his remarks. Some of the problem and perhaps misunderstanding with regard to Air Canada and other Crown corporations could be prevented if there were more agreements to the kind of request made by the hon. member. There is no reason, in my mind, why there should be any tremendous security surrounding Crown corporations such as Air Canada.

I could not agree with that statement more. It would be very interesting to know then how the hon. member for Kenora-Rainy River could justify making the remarks he did. The sort of approach the government takes is all part of a formality. It seems to be a form of stereotyped ploy to shroud Air Canada in a cloak of secrecy.

There have been many other motions of this nature. I will not take the time of the House to go into them, but they have been of a similar nature asking for pertinent and important information regarding the operations of this Crown corporation, its management, and some of its dealings, which have been somewhat suspicious, but in every case the government has treated hon. members in the same cavalier manner.

The hon. member for Battleford-Kindersley, in response to my request for this information stated, and I quote: "Air Canada believes this information should not be made public for competitive reasons." I ask, Mr. Speaker, competition with whom? We all know that Air Canada is in a monopoly position in providing Air Transportation services in this country. We all know that there is no price competition per se between Air Canada and CP Air. We know that from the hearings which took place at the CTC here just a few months ago, so what is all this ballyhoo about competition? Even if it was a matter of competition, should the public interest not prevail in a matter which is so important and where there is a shroud of suspicion involving some very questionable dealings? Surely when suspicions and suggestions of wrongdoing, such as have been advanced in this particular transaction, are brought into the fore it is mandatory that the government exercise its responsibility and encourage and, indeed, persuade this Crown corporation to provide the information to which we as members of parliament and the public are rightly entitled. We know that Air Canada's position is such that it refuses to give the information because it considers it to be proprietary and not in the interests of the airline, but what is the position of the government? It obviously must agree with the position that this kind of information should be suppressed.

When the parliamentary secretary rises to respond, I hope he will tell us why the government sees fit to concur with this position. Surely under the provisions of the Financial Administration Act the government is ultimately responsible for the conduct of its Crown corporations? Surely the Minister of Transport (Mr. Lang) is also responsible for accounting to the country through parliament. If the government is a party to this suppression of information, who is it trying to protect? Parliament is justified in demanding to know what is going on inside this corporation. We are entitled to know the details of some of the Mickey Mouse transactions which have been taking place within Air Canada, if we are to make a valid assessment and judgment of the operations of the upper echelons of its management.

This particular transaction raises many questions. The central figure involved in this transaction is a gentleman by the name of Mr. Yves Ménard, who was the vice president of marketing. Mr. Ménard has resigned. We do not know whether that was for personal reasons or whether it was because of a blatant conflict of interest. We do not know whether it was because he overstepped the bounds of his authority. We do not know whether he was the victim of other instances of mismanagement or whether it was simply sloppy administration on the part of the gang at the top. It is interesting to note that the chief executive officer of the airline, Mr. Yves Pratte, said that he regretted the circumstances surrounding Mr. Ménard's departure and indicated that he would be sorely missed.

● (1750)

We are all aware of what transpired thereafter. The Estey inquiry was set up, but to date we have had no report although we suspect it is in the minister's hands. We do not know why we have not heard about it and I hope the parliamentary secretary can offer us some explanation. Surely a matter as important as this should receive immediate attention. It cannot simply be a matter of the translation because the government had no difficulty with the translation of the documents relating to the anti-inflationary program. The Minister of Transport has offered us nothing but excuses in this regard.

We now find Mr. Menard's name linked with the Sky Shops affair. This is another issue which was brought to the surface by the hon. member for Central Nova (Mr. MacKay). We are getting the run-around. Who is in control of this corporation? Who is ultimately responsible for carrying out the operations of this major airline? Whoever it is has failed to exercise their mandate in a proper and orderly fashion.

Let us look at the background of the issue, Mr. Speaker. On February 28, 1975. Mr. Yves Menard, Air Canada's vice president of marketing, resigned from his position upon

learning that two very astute investigative journalists, Mr. Kendall Windeyer and Mr. Bill Fox of the Montreal *Gazette* were going to publish details of his purchase of a Barbados villa and his subsequent signing, 11 months later, of a $1 million air line rental contract with the same company that built his villa, Sunset Crest Limited.

In May, 1973, Menard had signed a purchase agreement on the villa with Sunset Crest Limited. The original sales agreement had stipulated that all moneys were to have been paid within 15 days of completion of the villa and approval of the Barbados planning board.

By November 28, 1973, the latter two items had been completed, but as of March 1, 1975, Menard had not made a mortgage payment on his $43,000 villa.

Eleven months after signing the purchase agreement with Sunset Crest, Air Canada negotiated a leasing agreement with the same company at the suggestion of Mr. Menard. Air Canada eventually leased 104 condominium apartments, 25 privately owned villas, and 72 other apartments for its Sun Living package tours to the Barbados. The lease agreements cost Air Canada approximately $1 million per year. The actual Sun Living package tours to the Barbados lost an estimated $100,000 per year.

The former minister of transport, reacting to the story, refused to have a public inquiry into this matter. Instead there was an internal inquiry which came to the conclusion that there was no wrongdoing, a not too surprising verdict considering who was conducting the inquiry.

On July 1, 1975, Air Canada announced that it was severing all relationships with Sunset Crest. According to an Air Canada communique, it was done because "it was not to the economic advantage of the company to continue leasing these properties."

It was not until the Estey commission hearings were held that a few more shreds of information concerning this deal became public. Mr. Vaughan, president of Air Canada, testified that he gave permission to go ahead with the leasing deal prior to approval by Air Canada's board of directors. He also added that he did not know of Menard's villa at the time.

In March, 1973, Menard proposed that Air Canada make a leasing agreement with Sunset Crest. Mr. Vaughan agreed, although Air Canada had never been involved in the leasing of rooms in the Caribbean. The board of directors was not consulted. The agreement was only sent to the board for approval one month after it had already been consummated. In effect the board was presented with a *fait accompli*.

Furthermore, the agreement was between Sunset Crest and Venturex, a subsidiary of Air Canada. The Venturex board of directors were not consulted until May 10, 1973, when they were asked to transfer the already signed leases to Air Canada's marketing division. It has been suggested, even this afternoon, that the Estey inquiry has explored this particular issue. We do not know that at the present time because the report has not yet been made public.

The Estey commission was set up primarily to investigate the McGregor travel deal, although it did touch upon the Sunset Crest deal. However, it failed to bring out the reasons why Menard felt compelled to resign since, according to him, he was innocent of all allegations. The Air Canada-Sunset Crest correspondence, documents, and agreements were not presented. Instead, Menard was asked many questions of fact and interpretation about the events and reasonings behind this deal. This questioning brought forth such enlightening answers as "I don't know", and "I can't remember". Therefore, considering the circumstances under which Menard resigned, considering the limited nature of the Air Canada and Estey inquiries, and considering Menard's evasive answers to the Estey commission's questions, I would think it mandatory that all documents relating to the Air Canada-Sunset Crest deal be revealed in order to determine the amount of Menard's influence in the consummation of this deal.

This is not the first time that members of parliament have been denied information which I believe they are entitled to receive. It seems there has been a constant effort to inhibit members from obtaining information which is important not only to the future of the air line but is important to this House. This is a Crown corporation and is ultimately responsible to the government and to parliament. Surely in a case where there are so many loopholes, gaps, and questions, it is important that we have all the facts before us. I would earnestly solicit the support of all members for this motion, Mr. Speaker.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I can appreciate the mood of the hon. member for Vegreville (Mr. Mazankowski) in attempting to get to the bottom of some of the problems he sees in Air Canada. I think many of these requests should be granted as time goes on. There is always a great danger of secrecy overcoming governments when there is really very little to be secret about.

At this point, however, we do have a board of inquiry which met under Mr. Justice Estey, and I think it would be as well to wait until the report of that board is produced.

In the three years that I have been in this House, and in most of the discussions in committee concerning transport, I have noticed that the Conservative opposition has a strong tendency to speak out against Air Canada and CNR and to be protective with respect to their main competitors, CPR and CP Air.

I should like, in the few minutes I have, to make some points on behalf of Air Canada, to defend Air Canada, because I know it as one of the finest air lines in the world. Canadians have every right to be proud of Air Canada, and when the Estey commission reports I think we shall see that all is well with Air Canada.

● (1800)

Forty years ago the air line began life as Trans-Canada Air Lines, the air carrier which was to move freight, people, and mail in this country. It is most difficult to establish a transport system in this country as distances are vast and populations thinly spread out. Air Canada has provided air service to many parts of the country. It serves not merely Montreal, Toronto, and Vancouver; it serves all kinds of smaller communities. CP Air serves Vancouver, Edmonton, Regina, Winnipeg, Toronto, Ottawa, Montreal, Quebec city, Halifax, and one or two other large centres. Air Canada serves these centres as well. It also serves smaller centres like Saskatoon, Thunder Bay, Timmins,

Sudbury, Fredericton, St. John's and other similar communities which, but for Air Canada, would not enjoy national air service. My own community would not enjoy national air service if it were not served by Air Canada. These are facts we must recognize.

Let us consider Air Canada's economic structure. The average stage of Air Canada flights is about 600 miles.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I regret interrupting the hon. member. I have listened carefully. I think we ought to confine debate to a fairly narrow subject. With the greatest of respect to the hon. member, who is my friend, I suggest that he should confine his remarks to the motion before the House. Surely we ought to be considering the government's refusal to provide information relating to an agreement between Air Canada and Sunset Crest Ltd. That has nothing to do with the Air Canada rate structure, or service to Fort William, Regina, or any other place. I am sure the government has a legitimate reason for not complying with my request. If it has, I want to hear it.

Mr. Deputy Speaker: Order, please. I think the hon. member's point is well taken, and I hope the hon. member who has the floor will pay closer heed to the motion now before the House.

Mr. McRae: Mr. Speaker, from my reading of the motion it implies some wrongdoing on the part of Air Canada. I am trying to show that Air Canada, as a company, is basically above such kinds of wrongdoing. For that reason I think it is relevant to paint a true picture of Air Canada. We must consider routes and distances, because they have a strong bearing on the air line's cost and mode of operation. Surely we cannot debate this matter properly if we are to confine our remarks simply to the motion for the production of papers.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Surely that is the essence of this matter. We are considering a narrow point. The question is: will the government produce the documents requested, or not? The motion has nothing to do with the length of routes or anything else. I think hon. members of the House would appreciate the hon. member's addressing himself to the motion before the House.

Mr. Deputy Speaker: Order, please. Although I do not necessarily agree with what the hon. member just said, as I think the hon. member himself might at times object if the Chair were to give a ruling to limit debate in the way he suggests, I think we must allow hon. members fair play in developing the subject matter of the motion. I will listen to the hon. member for a few minutes and note the drift of his remarks.

Mr. McRae: Mr. Speaker, I am trying to show why Air Canada functions in its present way and why it is not as profitable as CP Air. I think this is very much the question. This has been the debate in committee.

I am talking about distances in this country, about an air line that has an average flight of 600 miles, the cost of taking off and landing and so on under these circumstances. Compare that to CP where we are talking about average flights of 1,100 miles. I do not see members opposite questioning whether or not the rates of CP are correct. That is the reason why I have raised this question. It has been said that Air Canada is not competitive and is not a good air line. This is at the back of the question raised in this motion.

Let us look at Air Canada service for a moment. This too is part of the question that has been raised. One measure of service is how often an airline is on time. For years Air Canada was tops in this field, one of the top ten in North America. It slipped a bit in the early seventies when it went to flexible timetabling. It has now regained its position and is in the top three in this area.

I enjoy my Air Canada flights. The meals are excellent. I defy anyone to show me that any other airline feeds its passengers better than Air Canada. With regard to baggage, many people say that every time you take a flight you lose a piece of baggage. In the past three years I have taken off and landed about 400 times. I have only lost baggage three times, and this I got back within a day or two. In my opinion in this area Air Canada is very good.

In terms of employee relationship with the public, and I am not talking about the relationship with management because there are some bad relations there, I believe that Air Canada employees are as fine as can be found anywhere. I have always been treated well and I believe that is the general situation.

At the present time, it appears as though the future for all air lines is rather grim. Air Canada will and is having difficulties. It showed a profit in ten of the past 12 years. Last year it did not, nor did many air lines in North America.

There are some serious problems that air lines will have to face. Like other air lines Air Canada will have to cut schedules. In fact it has already done some cutting. It is important that the short-haul hops be cut because these involve very high cost. It takes a lot of energy to get a plane to 20,000, 25,000 or 30,000 feet and, once there, the air is rare.

An hon. Member: It's rare in here.

Some hon. Members: Hear, hear!

Mr. McRae: The cost per mile is much less on long routes. On a mileage basis it is much less costly to move passengers from Toronto to Vancouver than from Toronto to Montreal. What this amounts to is a need to develop alternative means of transportation, and if this is done there may be no need for a second airport in the neighbourhood of Toronto. Indeed, I maintain we do not need one.

● (1810)

The answer is to move traffic by rail, to develop an alternate type of transportation for short haul traffic. I would prefer to spend $1.5 billion of $2 billion, the amount it would cost in the long run to build another airport near Toronto, on short haul rail services in the corridor between Toronto and Quebec City.

These are some of the problems the air line will face. I also believe, that when the Estey report is brought in it will show that Air Canada is a very sound operation, that

it is one of the world's best air lines. We shall await that report.

Mr. Knowles (Winnipeg North Centre): Are you for or against the motion?

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, it gives me great pleasure to support the very logical request of my hon. friend from Vegreville for documents which, as usual, the government has refused to produce. The government invariably goes into a defensive crouch when asked to produce anything which is relevant, or controversial, or in the nature of an accounting to the country.

We have a new Minister of Transport (Mr. Lang). I hoped he would be a little more liberal than his predecessor in terms of providing information. This goes to the very credibility of the government and of Air Canada. The hon. member for Fort William (Mr. McRae) opened up many interesting areas in the course of his remarks and I hope I will be allowed a similar latitude in discussing the motion.

Air Canada has in the past been the victim of the government's transport policy, or rather lack of it. This is true with regard to the production of documents and otherwise. Only a few days ago the new minister was quoted as saying in the course of a newspaper interview that no one really expected the Liberals to make good immediately their proposals to improve rapid transit and commuter service in major urban areas. He went on to say that many of the election promises would only be carried out over 15 years or more. So once more we are reminded how much credence one can attach to policy promises made by the government particularly during a campaign. This is also very true when it comes to the production of documents.

Air Canada, of course, suffers along with the rest of the minister's portfolio from the secrecy syndrome. One might well ask whether Air Canada is really a unique, peculiar corporation, a proprietary Crown corporation as opposed to a departmental one, or agency one, as set out in the Financial Administration Act, which attempts to describe the various types of Crown corporations? Or is it a mutant in its present form, because of the way in which it has been allowed to develop under a management which cannot control it, to a point at which it may defy classification at all?

The lack of frankness in connection with Air Canada's operations as exhibited by the government's refusal to comply with my colleague's request is obviously a cover-up as is its reluctance to bring forth the Estey report—I will mention that in a few minutes.

Air Canada's performance, or lack of it, can be attributed not only to its management but to the vagaries of politics. Again, because of the government's lack of frankness, as well illustrated again today, I am sure, in denying my colleague's motion, we must speculate on the reasons for certain decisions. For example, the decision to purchase the Lockheed L-1011 jet instead of the rival Douglas DC-10 is said to have been heavily influenced by political pressure. It seems that Air Canada took options on the DC-10 and the L-1011 in the late sixties when both aircraft were in the pre-production stage and quoted substantially the same characteristics and price.

[Mr. McRae.]

In 1971, when Lockheed was on the brink of bankruptcy because of the L-1011, Air Canada announced it would reconsider the matter because aside from the uncertainty about the future of the L-1011 the DC-10 was proving itself a better aircraft in Air Canada's analysis. It had better range, was compatible with Air Canada's largely Douglas fleet, and had become cheaper. We have never been told why the priorities developed as they did.

The air lines executive committee pondered the selection for months while Lockheed worried and other air lines watched, but finally the decision was made to stick with the L-1011. Again we have never been told why, in the same way as we have been told today why in the government's eyes these documents are so vital that they cannot be produced in accordance with the hon. member's request.

As stated in the Ottawa *Citizen* May 23, 1975, issue:

> It is widely assumed in the industry that the influence of another department (External Affairs) was one of the main reasons for the decision.

So that is likely why they took the L-1011 instead of the DC-10.

As the hon. member for Fort William said, Air Canada does have problems that are not of its own making, but it has a lot of problems that are strictly attributable to its own management.

The more types of aircraft an air line owns, the larger the spare parts inventory it must keep, and the greater the number of machinists it must hire to maintain the different engines. Until 1969 Air Canada had an almost entirely Douglas fleet with many parts interchangeable from aircraft to aircraft. It now flies Douglas, Boeing, and Lockheed equipment, and certainly this has contributed to rising costs to which the hon. member has referred. We can only wonder how and why this policy was followed.

As I said earlier, we have a new Minister of Transport. Has he shown any initiatives, any "new broom" tendencies? Not as far as we can see so far. He has not even brought in the Estey report because he claims it is not yet translated. One wonders why this was not done when it was written or a few days thereafter, by dividing it among several translators, as any good newspaper would have done.

Our Standing Committee on Transportation and Communications has not been made operative since parliament resumed after the recess. We have not had a look at Air Canada in committee since November, 1973, and at that time we were considering the 1972 annual report in the context of the CN financing bill. There is still no word from the Chairman of Air Canada concerning his oft-repeated statement that if Air Canada did not perform he would go. The only word I have heard, and my sources are pretty good, is that he has stated he will not resign in any case, and if they want to get rid of him they will have to carry him out kicking and screaming.

If the Minister of Transport wants co-operation from this side of the House he ought to consider bringing the Estey report forward quickly and acting on it. We must make changes to restructure Air Canada, refer its annual report to our standing committee and tell Mr. Pratte that, kicking or screaming or whatever, he has had his opportunity to run Air Canada and now it is time for someone else.

It must be as obvious to the Minister of Transport as it is to the country, and in particular the knowledgeable people in the air line industry, that by practically every standard or test by which an executive is measured, the chairman and chief executive officer of Air Canada has struck out, and if the chairman remains it will be even more obvious than it is now that he is remaining only because of his relationship as a sycophant of the Prime Minister (Mr. Trudeau); he is willing to be exactly that in return for whatever personal prestige he imagines there may be in his present position as head of Air Canada while it heads for a second deficit.

The government's attitude through failing to comply with information requests underscores the fact that this air line has become a convenient refuge for would-be entrepreneurs who can attempt to wheel and deal in wine, or sugar, or what have you, while still having the security of our national air line to fall back on for their pay cheques.

Let us consider Air Canada's experience with Mr. Alfredo Laforet of Sunset Crest Villa in Barbados, which is right on target, you will no doubt be glad to hear, Mr. Speaker, with the topic with which the motion of the hon. member for Vegreville (Mr. Mazankowski) deals. Mr. Laforet is a man about whom a good book could be written. He really took Yves Menard and Air Canada to the cleaners in a most direct and casual manner, leaving the Barbados shipping and trading company with a large debt, doing the same with Air Canada and its subsidiary, but doing very well for himself. The details will be most interesting to the people of the country if Air Canada is honest enough to bring them forward for analysis.

Let us consider the firm of Caribbean Sales and Leasing Incorporated which, by the way, has the same postal address as the solicitor for Sunset Crest Limited but has no permanent staff or offices.—Rather strange! This company, which attempted to engineer a $100 million sugar deal at a time when our country was experiencing real shortages of this vital commodity, has as its principals several Air Canada executives, including Mr. Ray Lindsay.

The traces of Air Canada's ineptitude in extracurricular activities manifest themselves in particular ways. For example, they linger on. If one were to call Air Canada asking to be booked into Southern Palms Hotel outside Bridgetown, their computer will indicate that this is a substandard hotel, which is very ironic since Air Canada once tried to buy it. The owner, you see, is the recipient of this type of classification for this hotel because of a grudge carried over from dealing with Air Canada and Yves Menard. The computer had been adjusted accordingly.

● (1820)

I hoped that the Minister of Transport when he assumed the portfolio would be a reformer, a man who would have the courage to clean house and make decisions. If he does this then I can certainly pledge my support in this House and in committee for his efforts to rationalize our transportation policies and, in the case of Air Canada, clean out the Augean stables which exist in its structure. As a beginning, Mr. Speaker, let us have the documents requested by the hon. member for Vegreville. Let us have some action to improve Air Canada immediately before it suffers irreparable harm under present policies and under the present management.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I welcome the opportunity to speak at this time, first to reply to the motion requesting copies of correspondence and agreements between Sunset Crest Ltd., now a subsidiary of Barbados Shipping and Trading Company, and any employee of Air Canada or its subsidiaries; and secondly, to reply to some of the criticism that has been directed to Air Canada.

On April 7, 1975, the minister replied to the following questions:

1. What are the details of the various contracts entered into by Air Canada with Sunset Crest Ltd. of Barbados?

2. Who approved the contracts and what is the length of each?

The minister said that the management of Air Canada had advised him as follows:

The information requested is of a proprietary nature and Air Canada believes it should not be made public for competitive reasons.

The advice of Air Canada's management in respect of the notice of motion for the production of papers requiring copies of correspondence and agreements between Sunset Crest Ltd. and any employee of Air Canada or its subsidiaries is that in the interest of staff relations and for competitive reasons such information should not be made public.

I believe there is an inherent danger every time a government exempts certain papers or documents from production. The danger is that there will be an increase in public skepticism of government, a skepticism which has been growing in the past few years in most western democracies. When a document is exempt from production, regardless of the validity of reasons given for its exemption, the government leaves itself open to charges that it is trying to hide something which may be politically embarrassing or damaging.

In most cases the only defence against these kinds of charges is the production of the papers and, conversely, the only means to substantiate the charges is the actual publication of the documents in question. As a result, without being able to see the information which has been requested, we are left in a sort of daisy-plucking situation in regard to the government's motives; are they based on the expected criteria for the exemption of the production of papers or documents required for the effective functioning of government, or are they using the criteria merely to avoid political embarrassment?

I believe this kind of situation in the long run undermines the trust on which our democratic and parliamentary system is based. There are many arguments for greater accessibility to information, not the least being simply that both members of parliament and the public require as much information as possible if they are to make a meaningful contribution to the decision-making process.

Still, I feel the most complete argument is that publication of the papers requested eliminates that situation which I have described, where the motives of the government are questioned, and the harmful consequences that brings with it.

This government, and indeed any government, when deciding whether a particular document should be made public must carefully weigh not only the effects publication of the document will have on the effective functioning of government, but also the effect that not publishing the document will have on the public's trust of that government. Nevertheless, in the particular case we have before us there is an important consideration to be borne in mind, a consideration which I feel removes any suspicion that the government may be withholding information for political reasons.

Hon. members are no doubt aware that the Estey report was received by the Minister of Transport (Mr. Lang) during the latter part of last month. The contents of the report are being studied by him and it will be some days yet before the minister will be able to make public comment on it.

The Hon. Mr. Justice Estey, a judge of the Supreme Court of Ontario and a member of the Court of Appeal of Ontario, was appointed commissioner under the Inquiries Act to inquire into matters pertaining to financial controls, accounting procedures, and other matters related to the fiscal management and control of Air Canada. Public hearings were conducted from April 30, 1975.

Hon. members will no doubt agree that the government took effective action in order to bring to light the true facts. A number of witnesses testified before the commissioner, and these included top executives of Air Canada. Full opportunity was given to private citizens and to Air Canada's management and other employees to state their case, and there was also opportunity for cross-examination.

The matter which the hon. member for Vegreville (Mr. Mazankowski) brings before the House is among those matters which have been the cause of the Air Canada inquiry, and no doubt the commission of inquiry must have addressed itself to the details of the transactions between Sunset Crest Ltd. and Air Canada.

The minister needs time to digest the contents of the Estey report. Printing of copies of the report will take a few more days. I am sure hon. members would wish the minister to give an explanation of whatever comment and recommendations Judge Estey might have made. I am sure that any debate on the Sunset Crest Ltd. Air Canada transactions would call for explanations of other matters in relation to financial controls in Air Canada. Frankly I do not think that we are ready to debate these issues and I feel that our time will be more usefully spent in debating this and other issues arising from the Air Canada inquiry when the Minister of Transport informs this House of his impressions of Judge Estey's report.

I would like to take the opportunity which this debate affords me to speak briefly on a point which has been of some concern to me. In general terms it is the effect which sometimes specific, well meaning criticism of a department, agency, or Crown corporation has on the vast majority of competent, hard working, and loyal public servants.

While there can be no questioning of a member of parliament's right, indeed his duty, to examine closely the performance of national institutions such as Air Canada, care must be taken to avoid the tendency of looking only at the weakness and shortcoming of such an institution.

Air Canada is a large company employing over 20,000 persons in many categories of work. There are hundreds of managers in various levels of the hierarchy, and thousands of employees with valuable skills in many professions. Hon. members are, of course, aware that the employees of Air Canada are men and women who have worked hard over the years to build an air line that has earned its place as an important contributor to national unity and social prosperity, and one that "earns it keep" in that it has not been necessary for over two decades for public money to subsidize Air Canada. Even with biting inflation and a general depression in most parts of the world, Air Canada's performance has been good.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time appointed for the consideration of private members' hour having expired, I do now leave the chair until eight o'clock tonight.

At 6.30 p.m. the House took recess.

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Wednesday, November 12, consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, yesterday at this point in my remarks I was trying to indicate that in the constituency I represent there is a choice of listening to radio or watching television, and a choice between a relatively uncontrolled source in the United States versus virtually a totally controlled source in Canada. When that choice has been offered, the predominant number of people in my constituency choose to watch the material which comes from the United States. I am therefore very hesitant to give favourable consideration to any structure which further extends control over any portion of the media which may in any way affect the citizenship of the people of Canada. Let me give a specific example of why I say this.

There has been a multitude of programs produced by the CBC and those who work for it or supply it. There have been many new series of programs started, and as one program started I chose to watch one of the presentations.

It was a play. I enjoyed it. It was Canadian until it came to, shall I say, the epilogue, although it was not referred to as an epilogue. It was a story about the committing of a crime. The criminal had been apprehended and proven guilty.

The closing of that story came out in such a way that, after the trial was completed, society was to be ashamed of itself because a criminal had been improperly treated by society, and it was because of society that he had committed this crime. He was virtually excused of being guilty of anything, but society was guilty.

Second, these closing remarks indicated that the police work had been cumbersome, slow, and incompetent, and that young people, old people, or people of any age in Canada should really not have respect for that police force, or at least that section of it which presumably participated in the solution of the crime.

The third conclusion one would have to draw was that the crime had been committed against a party who had been a successful individual in life, and that he was the guiltiest of all because he had been successful and had accumulated some of this world's goods, perhaps a little more than the average. The victim of the crime was guilty of success. The police were downgraded in the eyes of the public who might have been viewing, and the criminal should be excused because of that attitude of society. This is not the kind of story which is going to create a strong and law abiding Canada.

● (2010)

If the philosophy of some part of that producing structure, CBC, is going to be imposed in virtually every story, every play, produced by that organization, and if the total structure of our society is to be continuously under attack by people who do not approve of our present society, then I submit that control has been an extremely bad thing in the television field.

I should like to see respect for success, respect for the police, and no excuse for the criminal. That is the type of philosophy that I think we have to disseminate if we are to develop a strong, law-abiding, co-operating society in this nation. Is this what we will get if we continue to control the pen as it moves across Canada? I submit it may well be.

When you exercise control you create a structure which must use what is available to fill its books or its time slot. When you create a captive structure you become subject to those who philosophize mostly against the things for which this House stands. That has been demonstrated for many years in the structures already controlling and influencing our society.

I think it should be known, and I do not think anyone has said it in a definitive way, that in the income tax sense or corporate tax sense no special concession has been extended to *Time* and *Reader's Digest* in Canada. They pay exactly the same tax on their earnings as any other corporation in any field which functions in any form of business anywhere in this country. These two companies have been extended a privilege in the field of publication, and have acceded to the request for a percentage of Canadian content. By the guidelines set down earlier they have earned the right to publish in Canada under identically the same tax structure as any corporation operating anywhere in this nation.

I submit that the government and the minister responsible have tried to sell this proposition to Canadians on the basis that there is a special tax concession granted to *Reader's Digest* and *Time*. That is a myth, Madam Speaker. It is untrue. They pay the same rate of tax as any other corporation in Canada. Does the government deny that? They have been granted an opportunity to publish in Canada under terms not granted to publications from other foreign countries, but have not been granted a special tax concession, as the public seems to think. No matter what the company may be, they pay the same tax, so let us be honest about it from here on. Let us say that these two firms have met certain Canadian standards, which gives them permission to publish in Canada. Forget about the special tax structure.

We have heard the requirements, so-called, of the media and the magazine industry discussed in this House and outside. It seems that there are problems in respect of Canadian copyright in regard to the international scene. Canadian authors apparently do not get the protection which Canada extends to foreign authors. This not only affects their livelihood but is a disincentive for those who write.

Authorship in Canada is certainly not as attractive as in other nations. Surely the government could negotiate this firmly with other nations so that we get for our authors the same privilege we grant those from other countries. If we cannot arrange this perhaps we should cancel the copyright privileges we have extended to international authors. Our authors should not be expected to publish without pay. This is important to writers who publish at home or abroad, and surely it is important to the publishing companies. The government should be encouraging our writers to have their first publication in Canada rather than have their first publication abroad where the syndicated copyright laws would work for them.

I am concerned about the type of public affairs broadcasts on radio and television where politicians, dignitaries, church people, all sorts of people are interrogated by representatives of the media. In the United States such programs give the public an opportunity to hear the opinions of people who are outstanding on a particular subject. Usually, not always, but usually it is a straight interrogation, a fact finding or opinion finding program. The comparable programs in Canada could practically all be titled "Under Attack" because they are usually an interrogatory inquisition of an individual whose opinions do not coincide with those of the interviewer.

Is every publisher in Canada going to continue on the road he has taken in the past two years and publish his own philosophies? Is he going to screen his writers so that they will reflect his philosophies? I submit, Madam Speaker, that if a newspaper or periodical is to be acceptable to the reading public it should take note of what is happening along our border with the United States. As it is they do not care what the public thinks because the public purse will pay, regardless.

Those who have relied upon the public purse in the radio and television structure along the border are now complaining that the system south of the border is going to

eliminate them. Basically that is because they do not produce what the people of Canada want to watch or listen to, and there is a lesson in that for the publishers of periodicals. I think they must look inward and find out why 30 or 40 years ago Canadians read *Maclean's* magazine from cover to cover but now it lies on the table gathering dust while *Reader's Digest* becomes dog-eared. Is that because of the advertising or because of the privilege extended to *Reader's Digest*? Madam Speaker, I think it is because they found out what people want to read and that is what they print.

If we exercise control as it is proposed here, the publisher who wants to publish his own philosophy will have no competition. Over the years I have heard criticisms levelled at newspaper and periodical owners. Some people say that such owners only publish their opinions. On the other hand it can be said that writers who do not agree with the owner's viewpoint refuse to write for him. But a publisher is somewhat different. He cannot always employ only those who reflect his philosophy and publish material reflecting his philosophy. On the other hand, if he publishes his own opinion, his own philosophy, and Canadians do not buy it, he runs crying to the government and says, "For goodness sake, ban other publications; make it impossible for them to compete with me, so that I can publish my own philosophies." In a sense, Madam Speaker, that is what this bill is about.

● (2020)

Not long ago a little magazine was started not far from my home town. It attacked everything, every church, politician, political party and philosophy held dear and true by my constituents. After the magazine folded the publisher went to the Canada Council with tears in his eyes and said, "We had to fold; people would not buy our magazine." People buy only those things to which they are attracted, not those things to which they are not attracted. This holds equally true of a suit of clothes and of a periodical. No matter what hon. members opposite think, we cannot legislate what Canadians shall read. But that is precisely what we are trying to do.

Let us consider how certain regulatory structures or bodies have affected radio and television service in the little constituency of Carleton-Charlotte. Sometimes when driving about in my constituency I will turn on the radio and, sometimes but not always, I can listen to the CBC. Yet as I drive a few miles down the road from my home I no longer receive it and will not again pick up the signal in my constituency. For example, when I drive on the road connecting St. Stephen, St. George and St. Andrews, I drive out of the range of the CBC radio transmitter. Anywhere in that part of my constituency people cannot receive CBC radio. That shows the sort of service we get.

One can listen to other radio programs. For example, I like to listen to news, information, and public affairs programs, but they are not available to me from the CBC. And what happens if I want to listen to sports events? If I want to listen to how the Maple Leafs, the Expos' or Canadiens are playing, I can tune in to Washington, Baltimore, Philadelphia, Pittsburgh, Chicago and Detroit. Usually I can receive one or more of these stations. I can get New York and Boston any evening, but I cannot get Montreal, Toronto or Saint John if I drive in a particular part of my constituency. That will show you the kind of service a regulatory body has made possible in my constituency. It is not a service, for there is no service.

Let us consider television. The first television station installed in New Brunswick was located in Saint John and served southern New Brunswick and Nova Scotia. Program material proliferated and, in my area, on our screens we could get a little picture and a little snow. Many similar areas have had comparable experiences. Then they built a television station at Presque Isle the signal of which, unfortunately, I do not receive as well as I would wish. It is much better than the signal from Saint John. Later a satellite station serving Saint John was installed, which I receive very well.

As I watch these two channels within my range I see New Brunswick firms advertising in the state of Maine market, and Maine firms advertising over the New Brunswick media. Both sets of advertisers seem to satisfy their respective communities fairly well. The bulk of the advertising material comes from the Maine source. That prompts the serious question I am about to raise. If Canadian firms operating near the border cannot get coverage from CBC radio, are they to be denied the privilege of advertising on a station which is located across the border in the state of Maine? If the rates on Canadian broadcasting stations are beyond the means of small businesses, are those small businesses to be denied the right to cheaper advertising from a source near the border?

I suppose the minister will say that private enterprise will provide the service. Private enterprise tried. It wanted to install a television station to serve the town of Woodstock, but the regulatory body refused the licence. I do not know with whom the television station was to compete; at any rate the regulatory body refused to grant a licence to the television station which wanted to serve the town of Woodstock and the nearby population.

Considering what regulatory structures and bodies have done with respect to the air waves I cannot support this further regulatory encroachment into the area of the printed word. I do not think the regulatory bodies serve us well. For example, consider cablevision.

At present there is an application before this country's regulatory body for the installation of cable service, the service to extend from Grand Falls in the constituency of Madawaska-Victoria to a portion of the constituency of York-Sunbury. But the regulatory body so far has said no. I ask, why? It says that there is no second station in the area. There is not a second station, I know. The regulatory body therefore says, "You cannot have cablevision." That will show you what our regulatory bodies are doing. I assure you, Madam Speaker, if there had been demand for a second station in the area, private enterprise would have provided it. As it is, there is room for cablevision service.

Let us look at the other side of the coin and consider what happens in Maine. In that state I know of at least one community which is served by cablevision. There is no regulation there. That cablevision structure will pull in all the Canadian stations within range; it will bring in a French language station to the state of Maine, and in southern Maine it is not needed. But our regulatory body will not permit the installation of cablevision facilities in the area I mentioned. There is no service.

I bring out these fact to show what happens when you introduce certain types of regulations. In the present instance the government seeks to interfere further in what people want to read. How can you legislate people into doing what they ought to do? That is what this law seeks to do. In a sense, is that not what our criminal law is all about? Yet you cannot legislate crime out of the window. Similarly you cannot legislate what people shall read.

An hon. Member: Question.

Mr. McCain: Madam Speaker, the hon. member's lack of patience is only equalled by the lack of favourable response this legislation will receive.

We cannot legislate what people shall read. We cannot tell them to read what they do not want to read. We cannot legislate people into reading a particular Canadian magazine if it does not print material they want to read. People will not read a Canadian magazine if it does not present diversity of opinion. I do not mind listening to or reading an opinion with I do not agree, but I want the opportunity to read material with which I do agree. I submit that this new law will affect what people can read. As I say, legislation cannot force people to read something they do not want to read. Therefore we are chasing ghosts in the name of nationalism, and we cannot catch them.

We shall only encourage Canadians to read Canadian magazines if our magazines encourage writers to produce articles which reflect all shades of opinion. Publications must give equal space, or equal opportunity, for the expression of diverse opinions. That is not to be the case under this legislation. I regret very much that *Maclean's* is no longer the sort of magazine which my family used to read years ago.

● (2030)

I sincerely hope the Government of Canada will change its position with respect to this bill. It should give consideration to the story opportunities that are exploited by other areas of the world whose television programs we watch and whose magazines we read. We should undertake to use our history, tradition, and morality as the source of those stories. We should stop in a regulated CBC structure, trying to philosophize continuously against those things for which members of this House stand. We should determine what it is that Canadians want to watch. Those who are going to publish should try to determine what Canadians want to read. That is what they are going to watch, listen to on radio, and read when the opportunity presents itself.

Legislation may be introduced into this House on a daily basis, but nothing will change the desire of people to read, watch and listen to those things that appeal to them. It may be opera, football, baseball or drama. In turn they will take their choice of what is offered. However, those examples have to be presented to Canada.

I could not conduct an orchestra. I would not know one note from the other. However, I can enjoy sports properly and intelligently presented. I can enjoy some music and I can enjoy drama. However, you cannot legislate to make me watch opera because I do not have the background and knowledge to appreciate it. I am sorry that I do not because basically I enjoy music. Nor can you legislate the opera lover to want to watch baseball, and I propose you should not. What the government is trying to do here is as ridiculous as trying to legislate that everybody watch opera. In no way can it succeed.

I submit that Canadian publications may suffer more than they benefit by regulating what people want to read. People will not be able to afford to buy a foreign publication and a Canadian publication. It might just be that on the reading table, particularly in the border areas of this nation, we may find *Time* and *Reader's Digest* that were wholly published in the United States. The Canadian publications may no longer be there. That is the risk we run when we try to dabble in affairs of which we know very little and over which legislation has virtually no control.

Mr. Peter Stollery (Spadina): Madam Speaker, I thought for a moment that the hon. member was never going to give us a rest from the dissertation of dismal forecasts that he prepared for us this evening. I am a Canadian who, ten years ago, was dismayed when *Time* and *Reader's Digest* were made exceptions to the income tax amendments that were passed at that time. In my view Bill C-58 is ten years overdue.

In order to encourage the Canadian magazine industry, the 1965 amendments were essentially that Canadian advertisers who advertised in foreign magazines could no longer deduct those costs as a business expense, and they excepted the two major magazines, *Time* and *Reader's Digest*. That certainly made me very unhappy. I know that it made a great many Canadians very unhappy.

Yesterday I listened to Conservative after Conservative get up and talk foolishly about censorship, legislating *Time* and *Reader's Digest* out of existence and legislating what people can read, particularly the amount of foreign news carried in Canadian newspapers. I congratulate the House leader for having taken the courageous step under Standing Order 75C to end this silly discussion and send the bill to committee.

Obviously Bill C-58 has nothing whatever to do with censorship. We are not legislating *Time* and *Reader's Digest* out of existence. Canadians are civilized people. They want to know what goes on in the world. That is why Canadian newpapers carry foreign news. That seems to be a perfectly normal activity of a Canadian newpaper. I do not think that has been made very clear to the Canadian people by the opposition.

I know that latitude must be and is allowed in the House of Commons, but does it really mean that we must have expensive day after expensive day of the Commons of Canada tied up with repetitious windbags making speeches ten times and taking the entire subject completely out of context? If ever this place has the misfortune to be televised we can expect the Canadian public to come charging through the door on my right and to hand us all out of here to the telephone poles.

I remind the Conservative members that their instructions from the *Time* and *Reader's Digest* lobby to attempt to filibuster in favour of those magazines not only costs valuable House time but also the $250,000 a day in taxpayers' money that it costs to keep this House open. Therefore I again congratulate the House leader on limiting the debate. Possibly he should do that more often.

According to the cover on *Reader's Digest* magazine, it is published in 30 countries and in 13 languages. It says on the inside that it is published by the Reader's Digest Association (Canada) Limited. According to their flyleaf, this is considered an international edition. It says that the English edition is the United States, British, Australian, South African, New Zealand, India and Asian edition. This is the so-called Canadian magazine that should in fact be exempted from the income tax laws and made a special case, this magazine that is published in 30 countries and 13 languages.

I have information that there are eight editions to *Time* magazine published by Time Incorporated in various parts of the world. I do not think that many people consider that *Time* or *Reader's Digest* are Canadian magazines. That would really be stretching a point. Obviously they are not and never were Canadian magazines. There has never been an attempt to pretend that they were Canadian magazines.

In 1965, in the spirit of encouraging Canadian culture, the government of the day decided to act to encourage the Canadian magazine industry. We are all aware, ten years later, of the paradox of the situation when it undertook to encourage the industry and then excluded the two most flagrant foreign magazines operating in Canada, taking I don't know what percentage of Canadian advertising revenue, though I know it was a very high one. I think it is offensive to most Canadians that of all the foreign magazines selling in Canada from *Newsweek* to the *Model Railroader*, only *Time* and *Reader's Digest* enjoy a tax advantage. Most Canadians ask why they should be excluded from the application of the law.

● (2040)

What has censorship got to do with those two magazines operating in Canada on an equal basis with all other publications? What makes *Time* different from *Newsweek*? Why should *Newsweek* have to compete in Canada and be unable to offer a tax advantage to potential advertisers while *Time* is able to offer a tax advantage to Canadians who advertise in it? Why should Canadian institutions, banks and so on, which advertise in the *Economist* of London be unable to get a tax break, though if they advertised in *Time* they would?

The idea that anyone is excluding *Time* and *Reader's Digest* from Canada is not true. Those publications will be selling in Canada just as long as there is a profit to be made in Canada by the parent publishing companies. They are international publishing institutions and they will be in business here just as long as they can make a profit here. This should be made clear to people who have been persuaded by fuzzy arguments that they will not be able to read *Reader's Digest* or *Time* magazine. Why should *Reader's Digest* be given a special tax advantage over, say, *Good Housekeeping* which is a very popular magazine in Canada? What makes those two publications so special?

What makes it particularly offensive to Canadians was the personal intervention of Henry Luce through the U.S. State Department—this is the understanding which was made public—when he threatened Canadian sovereignty back in 1965, a year in which Canada was presumably in a weak position with regard to some kind of trade agreement. That kind of activity and lobbying on the part of the U.S. State Department, of the very fibre of the United States government—obviously Henry Luce at that time was a very powerful man—would make any Canadian angry when he thinks about it.

The tax advantages enjoyed by foreign periodicals, the hope for the Canadian magazine industry, all of this, when all is said and done, are part and parcel of Canada's cultural policy. This is an interesting area and topic. I think this has been expressed by members opposite in an odd sort of way, because this is a very subjective area. Culture is a very subjective subject. As William James once said, it lives by sympathy and admiration, not by dislikes and disdain. I think that is an important point. It is easy to be disdainful of culture because it is a subjective thing.

Culture has a profound value, and one that until only recently Canadians sold cheap. For one thing, our cultural geography made it pretty rough, living as we do, between the two English-speaking giants, Britain and the United States. What has often occurred to me is the unusual way in which cultural values in Canada have alternated between U.S. provincial and English provincial. We did not develop our own awareness until the sixties when an attempt was made to assist Canadian culture, of which this bill is part and parcel.

Obviously, culture is of fundamental importance to Canada. Without culture we are not a country. If we do not have it we do not exist. If we do not develop our own artists, our own writers, our own cultural vehicles—and in order to do that we must have vehicles to do the job such as magazines—it really means there is nothing here in Canada worth expressing. And I believe we do have opinions, that we do have distinct values worth expressing as Canadians.

Surely in the House of Commons of Canada I should not have to emphasize our unique Canadian experience—two founding peoples pioneering a country on the very edge of the habitable world in spite of snow and ice and everything possible against us, and succeeding in establishing Canada. Canada is a remarkable country because it should not ever have existed. You just have to look at a map of Canada to see the towns which run along the coast or around the shores of a couple of lakes or along a river. Here is a country defying history—two founding peoples, my goodness, read Francis Parkman and realize how the early French settlers lived on moss in order to survive the Canadian winter; it is not surprising they did not have time for culture; they were just trying to stay alive.

I am not a cultural nationalist. I do not believe in cultural nationalism because it is introverted and I am too much of an internationalist for that kind of approach. But I believe that we in Canada have distinct values to offer the international community, and in order to do that we must have vehicles to do the job. Canadian magazines, in spite of all the arguments against them, in spite of the lousy job they have done so far, are important vehicles which the country has to develop.

An hon. Member: But not through legislation.

Mr. Stollery: Yes. If we have to legislate, if we have to pass laws to encourage the industry, that is definitely the way we should go about it. I differ from the hon. member

who says "not through legislation". The legislation the CRTC brought in on Canadian content vis-à-vis American programs has been very successful. We live in a country that is squashed up against the United States; we have all the pressures historically from the United Kingdom which I mentioned earlier, so I certainly believe there are times when we must legislate to assist the industry.

I think something that has been a little bit missed in all this argument—and there is reason for it because the magazine industry has been so poor—is that somehow it looks as though we are sitting here trying to sell *Maclean's* magazine. It is a pretty fair comment really, because at the moment I suppose it is one of the few national magazines we have.

I should like to point out to members opposite what I hope will happen with this kind of legislation. What I think would happen is that in the next five or ten years we would see magazines in Canada, particularly English Canada which has the biggest problem, that we do not have today. I have no way of forecasting what entrepreneur or what person may decide to go into the magazine business over the next decade, and I do not think anybody else has, but I think we make a mistake if we presume that *Maclean's* magazine is suddenly going to replace *Time*. It will not, because *Time* will still be on sale. The president of *Time* magazine has said as much, and presumably he knows what he is talking about.

● (2050)

I think we must remember that we are trying to encourage a new industry, one that we have not had before. Who would ever have thought 10 or 15 years ago that the city of Toronto would be an important producer of animated cartoons for the advertising industry, or for that matter, a recording centre for the musical industry? Many performers today come from New York City and do their recording in a Toronto recording studio. We have some of the best facilities in the world in Toronto, and it has become a very important industry. I do not think anyone foresaw this when we decided to develop the Canadian music and entertainment industry.

If there is another point to be made in all of this, Madam Speaker, I think it is this. We have the Canada Council, and we have done quite a lot for artists, painters, and those who are the backbone of our culture. We talk about a few writers and mention a few names of painters, photographers and so on, but really we have done nothing. I hear an hon. member opposite laughing; obviously he does not appreciate culture. As I said, it is a subjective thing. If he personally does not find any value in it, it is perfectly all right with me, but I think it has value.

I remember as a boy that during the war the people to whom we first looked to raise national and patriotic feelings were people of culture—writers, painters, and people like that. I do not think we do enough for them in this country. Many members of this House older than I will remember the surge of patriotism that there was during world war II and much of this was kindled by writers, painters, and other people in the cultural arena.

I was recently looking through the WPA work projects under the federal relief policy in the United States during the early thirties and at the rather unique way in which they considered artists, writers, and those kind of people to be so important that they had projects they were paid to do. This was at a time in the thirties when money was hard to get. They did an enormous number of projects under that relief program. The United States administration during the time of President Roosevelt certainly recognized the value of artists and culture. It was a war against poverty in those days, yet it was appreciated that without those people upon whom a country depends for its identity there was no way in which such a program was going to work.

As the minister mentioned in his speech this afternoon, what we are talking about today are the recommendations of the O'Leary commission made in 1961. This was a commission established by the right hon. member for Prince Albert (Mr. Diefenbaker) who spoke so strongly this afternoon and gave us the balance sheet of the Maclean-Hunter Publishing Company. He conveniently, I thought, forgot to mention when he gave us those figures that *Maclean's* magazine as an entity has been losing money for years. I do not carry any brief for *Maclean's* magazine, but I found it a little contradictory that the right hon. member, who established the O'Leary commission in the first place which made the recommendations that we are acting on today, felt so strongly about Mr. Newman and *Maclean's* magazine.

Mr. Saltsman: He wrote a book about him.

Mr. Stollery: Yes, I understand that. I thought that was a little unfair because, after all, it was Senator O'Leary who first suggested that a genuine Canadian periodical press can exist only if it has access to a fair share of the advertising revenue.

I do not think any more remains to be said, Madam Speaker. Until Bill C-58 is passed, the Canadian periodical press will not have a fair share of the advertising revenue in Canada.

Mr. J. R. Holmes (Lambton-Kent): Madam Speaker, may I say at the outset to the hon. member for Spadina (Mr. Stollery) that if his assessment of this entire debate is simply related to *Reader's Digest* and *Time* magazine and to the length of the debate, then I want to tell him that I will be brief. I want also to tell him that I have no intention of discussing *Time* and *Reader's Digest*; I want to discuss the more fundamental principle of concern to me and to other publications which will be affected by this legislation. They have been mentioned in the past.

I have grave concern with this legislation because of what I interpret as editorial interference, or inteference in the editorial policy of periodical publications. Unfortunately this is frequently done in the name of cultural sovereignty, Canadianism, Canadian spirit, or whatever happens to be the appropriate word on a particular day.

I listened very carefully when the minister spoke in this House on May 8. He implied, as I understand it, that there would be no government interference with the editorial policy of periodical publications, yet on that same date there was a news release from the minister's office. I should like to quote from it:

> The amendments mean that if certain foreign periodicals now being published in Canada expect to continue to benefit from the provisions

of section 19, they will have to meet the criteria outlined in the law, which has been in existence since 1965. These criteria relate to ownership, control and content.

I should like to emphasize the word "content". The press release went on to say this:

National revenue officials, who administer the Income Tax Act, can provide an advance ruling on the eligibility of a periodical for the benefits of Section 19 in the case of uncertainty on the part of a publisher contemplating the publication in Canada of a periodical with a certain format and editorial content.

My fears were rekindled when the recently appointed Minister of National Revenue (Mr. Cullen) announced the new content regulations, indicating that Canadian editions of foreign parent publications must have more than 80 per cent difference in content or lose tax exemptions for advertisers. As I understand the government's position, to qualify as a Canadian publication a magazine would need to be 80 per cent different from a parent foreign publication and, indeed, even a Canadian-owned publication cannot be recognized as Canadian if its contents are substantially the same as printed elsewhere.

● (2100)

The issue in my view is not the loss of *Reader's Digest*, *Time* magazine, *MD of Canada*, *Modern Medicine* or the *Medical Aspects of Human Sexuality*, and there are other publications which will be affected, all publications which I have personally enjoyed for several years. The issue in my view in this debate is the principle of editorial freedom, which I truly believe is being attacked and eroded by this particular legislation.

I have no difficulty in accepting that the minister and the government, whether their decision is right or wrong, and whether I agree or disagree with it, have the right to define for income tax purposes Canadian ownership of a publication. I recognize that the government has a responsibility in enforcing laws that deal with libel, obscenity, contempt, sedition, etc. However, when Canadian ownership is determined by the government then it should make it absolutely clear it will absolve itself from further interference.

Perhaps the most overworked and misunderstood word in this entire debate has been censorship. I have listened to the charges and countercharges over this particular word and this particular issue. The minister and the government in defending the bill have repeatedly stated that censorship is not being employed as part of government policy.

The government is correct in saying that the regulations in the strictest terms are not censorship, and yet it is their attitude and their response to the charge of censorship that alarms me and, frankly, should alarm all Canadian people.

The minister knows perfectly well that he is legislating a mechanism for government interference in the decisions of a publisher. Indeed the Minister of National Revenue has indicated unequivocally that the effects of the new legislation will undoubtedly destroy *Time's* Canadian edition, which will probably go out of business under these regulations. If the government deems it necessary to deceive the public with a play on words in this particular instance, and in particular when we are discussing the very fundamental principle of editorial freedom, I have severe reservations as to what the government's response will be in future if it is confronted with criticism or adverse editorial comment by future Canadian publications. This situation to me smacks of authoritarianism and, of course, authoritarian government has no place in our democratic society.

As one who has trained in a science discipline I have recognized for a long time, and would defend, the importance and the necessity of the free exchange of knowledge and views. This exchange of information is not solely for the benefit of those who are involved in scientific endeavours. I should like to suggest that this scientific exchange is really to the benefit of and has a salutary effect on the larger community and citizens of Canada.

When I was thinking about this I wondered how many individuals in this Chamber had taken, or even had the opportunity to review world literature. I can assure you that I have done this on at least one occasion; it is a great experience, and underlines the importance of this type of exchange of knowledge and information. I have a permanent appreciation of this fact and it will have a lasting effect on me. I may say that it influenced my comments in this particular debate.

The major part of this debate has been concerned with *Reader's Digest* and *Time*, and I can state, as I am sure other hon. members can, that my correspondence on the subject in respect of *Reader's Digest* and *Time* has been heavy and overwhelmingly in support of their retention. I do not want to reiterate these arguments at this time as they have been well outlined by other members in the House. However, I should like to raise the issue in respect of the impact this legislation and the regulations will have on medical publications in Canada and, indeed, on other technical journals which will be confronted with a similar fate.

As I indicated sometime earlier, *MD of Canada*, *Modern Medicine* and the *Medical Aspects of Human Sexuality* will be affected by this legislation and I have no doubt they will disappear from the Canadian scene.

I want to take a few moments to discuss the specific publication *MD of Canada*. I have picked this particular journal for three reasons, recognizing that it does have a unique editorial concept. First, in many ways the problem which have been created for *Md of Canada* by his legislation are similar to those experienced by other medical journals and, indeed, other technical publications presently in Canada. The second reason is my personal knowledge and interest in reading this journal since its inception in Canada. Of course this does permit me to indicate that the information I have can be received as reliable and authoritative. Thirdly, I think it is important to review one of these so we can assess the impact this legislation will have on other scientific publications. I believe this will demonstrate unequivocally the seriousness of the legislation not only as it relates to *MD of Canada* but to other publications.

MD of Canada is dedicated to serving physicians by giving them a publication that reflects the highest ideals of the medical profession and by presenting features related to the universality of medicine and man. It was founded in January, 1960. *MD of Canada* is a monthly controlled circulation magazine that is sent free of charge to more than 25,000 physicians in Canada. It is published by MD Publications (Canada) Ltd., with offices in Quebec and at Oak-

ville, Ontario. It is published in two editions, one in English and one in French and English.

The editor of *MD of Canada* is the internationally distinguished Canadian physician William C. Gibson, M.D. and Fellow of the Royal College of Physicians. He is a professor of medical history and research professor of neuro-psychiatry at the University of British Columbia, where he was also special assistant to the president on development of the university.

I want to point out that Dr. Gibson was invited to become the editor of *MD of Canada* in April, 1973, following a world search for an editor after the death of the most renowned Felix Marti-Ibinez, the founder and original editor of *MD of Canada*. Dr. Marti-Ibinez, an international medical historian, physician and writer, was a colleague of Dr. William Gibson.

Dr. Gibson is also the international editor of *MD, the medical news magazine USA*, which is among the leading medical publications in the United States. In addition, he is the international editor of *MD en Espagnol*, which is published in Spanish for physicians throughout Latin America, and *MD Pacific*, which is published in Hong Kong for physicians in the Far East. Essays by Dr. Gibson appear regularly in the "Mirror of Medicine" section of *MD of Canada*.

MD of Canada is a staff-researched and staff-written publication, and all the articles are conceived, researched, and written for physicians. The in-depth research is intensive and broad, thus giving the articles a great deal of intellectual and literary value.

The news section is written by a professional journalist who is in the Montreal office, and among the medical news included in *MD of Canada* is the coverage of all major Canadian meetings of physicians.

MD of Canada's editorial content provides a unique, humanistic concept which combines the cultural and historical interests of the physician with his professional interests. This is the striking difference between *MD of Canada* and other medical publications to which I referred earlier. Dr. Marti-Ibinez said, "It is an integration of medicine, society, and humanity translated editorially into a magazine of medical culture and cultural medicine".

● (2110)

MD of Canada's editorial content is, therefore, directed to the physician who deals with mankind, which he must understand in a broad sense in order to be a good physician. It is an understanding which encourages the physician to treat patients as people rather than as impersonal disease entities.

The basic editorial concept of *MD of Canada* is as inherently universal as medicine itself. The unique concept conceived by Dr. Marti-Ibinez recognizes the physician not only as a professional but also as an individual member of society. To quote from one of his editorials:

As a professional he (the physician) is interested in the art and science of healing: as an individual he feels the need to increase his general cultural knowledge; as a member of society he wants to understand ... the public health problems of his community, his country and the world in general. A physician is not only a social person, he is also an historical person. The interests of the world are therefore his interests.

Non-Canadian Publications

From the above it can be said that the *MD* concept recognizes all physicians not only as members of their own country but also as members of a professional community which is truly international. Any other view of physicians would be too narrow to embrace this professional segment of society. Feature articles, then, if they are to reflect this concept, must be basically universal in their appeal. Please note that the expressed aim is to stimulate "medical culture" and" cultural medicine". These are not idle aims or phrases. Any issue of *MD of Canada* will quickly convince a reader how fully each feature article embraces this doctrine. The Report of the Royal Commission on Publications in 1961 stated:

... Cultural publications, and literary and scholarly journals, are a part of our national heritage, reflecting something else than our concern with the market place, keeping alive among us the deeper, sweeter and more spiritual things of life. In the opinion of the commission, their encouragement and preservation cannot be put aside.

Laymen find it startling to learn that a magazine designed exclusively for a medical audience devotes a major share of its editorial content to the arts, yet this is a cornerstone of the MD concept.

To any physician anywhere articles in *MD of Canada* are designed for consumption in this country yet they are conceived, researched, and written from a more universal point of view. The historical aspects of a subject, for example, are basically of universal interest to all physicians, yet there are often more local aspects of the subject which are of special interest only to Canadian physicians. Thus these features are in themselves exponents of "cultural medicine".

It is of fundamental importance to understand the *MD* concept because when it is understood one will understand why *MD of Canada* is no more a facsimile of *MD, the medical newsmagazine USA,* than *MD, the medical newsmagazine USA* is a facsimile of *MD of Canada.* Both are truly independent magazines, completely different in material and integration; each caters exclusively to physicians of its own country and shares only the basic *MD* concept which is founded on the universality of medicine.

The news section of *Md of Canada* completes the editorial picture. Most of the news contained in this section is unavailable to Canadians in any other single source. Reportage includes highlights of medical and scientific meetings in Canada, most of which are not reported in a single source to all physicians in Canada. In the *MD's* clinics section important new findings in the world of medicine are reported. Only in *MD of Canada* can our physicians get this type of news, which is so helpful to them in keeping abreast of clinical problems essential in today's fast moving field of medical advancement.

Finally, *MD of Canada* performs one further editorial function. Important Canadian medical news is reported in *MD, the medical newsmagazine USA*, and is also reported in *MD en Espanol.* Similarly, feature articles of wholly Canadian subject matter are originally prepared by *MD of Canada* and later re-researched for readers of *MD the medical newsmagazine USA*, and for *MD en Espanol.*

From its first issue, *MD of Canada* has been printed in Canada, on Canadian paper, from typesetting and plates manufactured in Canada. *MD of Canada* is mailed through the facilities of the Canada Post Office utilizing mailing

lists provided by a Canadian mailing house. All advertising is solicited in Canada by the sales staffs located in Montreal and Oakville, Ontario.

The free flow of medical information, regardlesss of its source, is vital to public health in this country. It is a matter separate and distinct from the problems of publications for the laity. *MD of Canada* has received favourable comments from thousands of physicians across the country illustrating the very real and important contribution that *MD* is making to the practice of medicine by presenting information of medical value to physicians throughout the world.

In summing up the position of *MD of Canada* I would point out that *MD of Canada* is a controlled circulation magazine with no subscription revenue. Paid circulation magazines might have the alternative of sending non-Canadian editions into Canada for sale to readers, but *MD of Canada* does not have that choice. Its only source of revenue is advertising. If *MD of Canada*, an important medical publication which has been sent to physicians in this country for more than 15 years, ceased to publish in Canada as a result of Bill C-58, the *MD* concept would be lost and could not be replaced.

MD of Canada is not a Canadian edition of a parent magazine. It is neither a split run edition nor the result of overflow circulation of a parent magazine. It is a fully integrated Canadian medical publication whose editorial content is based upon the *MD* concept.

MD of Canada purchases, and always has, all of its mechanical production from Canadian suppliers. These include typesetting, printing, labelling and mailing.

By definition, *MD of Canada* is a "magazine of medical culture and cultural medicine". *MD of Canada* carries a completely Canadian medical news section. *MD of Canada* prepares original features which, when re-researched, appear, along with Canadian medical news, in *MD, the medical newsmagazine USA*, in *MD en Espanol* and in *MD Pacific*. *MD of Canada* reworks editorial feature material prepared internationally before it appears in *MD of Canada*. *MD of Canada* publishes an English edition and a combined English and French edition.

The physician readers of *MD of Canada* identify strongly with this magazine for many reasons. The first of these reasons is the fact that the magazine is researched, written, and edited for physicians. Another reason is that *MD of Canada* is always responsive to the requests of its readers. Thousands of reprints of essays appearing in *MD of Canada* have been distributed to physicians who have requested them. These reprints are free and there is no charge for them to the physicians in any way whatsoever.

The contents of *MD of Canada* are not the same as in any of the other editions of *MD*, namely, the US edition, the Latin American editions, or the edition for the Far East. There is no simultaneous publication of contents in any of the four magazines. All articles that are published in *MD of Canada* are especially scheduled and edited for that publication.

MD of Canada plays an important role by serving a numerically small but professionally highly important segment of the population with a magazine which responds to the full range of the physician's interests.

[Mr. Holmes.]

I would hope that the contents of this brief, which has been prepared by *MD of Canada*, and indeed of other similar briefs, will be very carefully assessed by the standing committee at the completion of this debate on second reading, and I hope that their importance is discernible to hon. members.

In conclusion I wish to reiterate that the principal issue in this debate is editorial freedom. I would simply say that if that objective is not realized before the passage of this bill, then I have no doubt that the minister will be remembered in the annals of history for his infringement on one of the basic freedoms that we have observed in the past, namely, editorial freedom.

● (2120)

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, in some ways I should like to begin where the previous speaker left off. I do not really see that the great issue in this bill and in the debate we are going through has anything to do with editorial freedom. I think it has to do with the question of money and how much money people will make by either having advertising as a deductible item or not having it as a deductible item. It is on that basis that I think it has to be viewed.

I am supporting this bill, but I am doing it with enormous reservations because, frankly, I do not like the kind of reasons which have brought us to this point. In some ways I think we are dealing with two different problems when we talk about *Reader's Digest* and *Time* magazine. It seems to me that this bill is really directed against *Time* rather than *Reader's Digest* because *Reader's Digest*, in a way, is unique, and if the government could have found a way to let it off the hook it probably would have done so. However, in the interests of consistency they have probably both been put into the same bag, because it is really a question of a news magazine rather than something like *Reader's Digest*.

I do not pretend to be an expert on *Reader's Digest*, and I will just leave it at this point because I have not been a great reader. Its endless optimism really gets to me after a while, and there are so many medical articles about rare diseases that when I read them I become sick and think that I have those rare diseases.

Let us go on to talk about *Time* magazine. As most people do, I realize that that magazine has an enormous advantage because of the fact that it is an international publication and can afford all kinds of things which no national magazine in any country can afford. The problem with *Time* magazine is that it is too good, and if we are trying to build up some kind of national magazine and to foster our own journalism and culture, we have to hobble those that are too good. That is the real problem.

I had a little experience with *Time* magazine. By a strange coincidence I ran a campaign pamphlet which bore a startling resemblance to *Time* magazine's own journal. I received a letter from *Time's* lawyers on election day suggesting that I cease and desist from the distribution. Of course I complied with this. However, it is a magazine which in many ways cannot be matched by any other magazine which has to rely on the resources of one nation. I am sorry that is so because in many way both *Time* and *Reader's Digest* have tried to be good citizens in this coun-

try. I do not feel that the way these magazines are being hobbled is any fault of their own, unless it is the fault of being too good in the work they do.

In many ways I have a good feeling for *Time* magazine because as far as I am concerned personally, and I think as far as my party is concerned, we receive as fair a treatment in *Time* magazine—perhaps a fairer treatment with regard to events in the House of Commons than we receive in Canadian journals and Canadian magazines, and therefore I have a great deal of regret at what is being done. I think I am not alone in this and that many people feel exactly the same way. I do not think anyone wants to do this. We have reached a point in our history where we feel that it has to be done in order to encourage the sense of nationalism which has developed in this country, and a longing for a national culture and identity.

There is an irony to this present government bringing in this legislation. I was in the House when the then minister responsible, Hon. Walter Gordon, brought in the exemption for *Time* and *Reader's Digest*. My friend and colleague, the then hon. member for Nanaimo-Cowichan-The Islands, Colin Cameron, was privately assured that under no circumstances would that great Canadian nationalist, Walter Gordon, ever grant the exemption to *Time* and *Reader's Digest*. I am sure that, if it had been the decision of Walter Gordon alone, that would not have been done. To our surprise Walter Gordon stood up and announced the exemption, and it took quite a bit of effort on my part to restrain Colin Cameron from charging across the aisle and doing physical violence to the then minister.

At that time we felt that we had been betrayed, that in fact the government of the day had sold out and knuckled under to the pressure which it had been subjected to, not only from *Time* magazine but also from the U.S. government. We tend to forget this. There is a kind of lesson there when we consider all the favours *Time* magazine has done for the Liberal Party and how in two elections it virtually acted as the advocate of the Liberal Party. The Liberal Party shows no gratitude at this time, which demonstrates that parties are not reliable. After all the things *Time* did for the Liberal Party, look at the gratitude and reward it is reaping from the association. Perhaps it is an irony, but it is heartening that loyalties like that do not last forever; but when everyone says, "what have you done for me lately?"

It looks as though the time has come when the Liberal Party is more concerned about what the Maclean's publishing company is going to say about it than what *Time* magazine is going to say. Liberals know who is on the way up and who is on the way down, and there is no sense hitching your future to a falling Star. They might as well see where the rising rockets are going and tie on to them, especially if some propulsion can be added to that rocket.

As I said, I am not really proud of taking the position I am taking. I feel I must take it, and I take it with some regret because it is a sad thing for a country to do this. It is sad for a country to admit that it has failed to create its own culture, and then to blame this on someone else.

Mr. Blais: Oh, come on.

Mr. Saltsman: I feel that this is what in fact has happened. It has been much too easy for this country's so-called intellectual establishment to admit that the reason we cannot get ahead, and the reason we cannot produce this excellence is that we have *Time* magazine, *Reader's Digest*, or something else hobbling us.

I made a speech recently at a Commonwealth conference in which I said to some third world countries which were complaining about their present state that for a long time they could blame it on colonialism; that they could not get anywhere because they were being colonized. They got rid of the colonialists. Then they started to blame multinational corporations and got rid of them. I asked them who they would blame it on now.

One of the reasons I am supporting this measure is that I want to see whether our intellectual establishment is really going to come through, because it is going to have to come through now. It has been given every single advantage possible. In my view *Time* magazine will not go away. I know that the president of *Time* says he cannot operate, and that the president of *Reader's Digest* says he cannot operate under this legislation, and just recently we heard that *MD of Canada* magazine cannot operate under it. I have the feeling that despite the 80 per cent content and the Canadian ownership rule they will find a way of operating in Canada, because they cannot afford not to. What does it mean to them? It means that their profits will not be as fat. Their profits have been very fat in this country, but I do not think a magazine of the international stature of *Time* can afford to have itself pushed out of a country.

What are the other Canadian magazines going to do? They will still have to compete. I hope they do, and I wish them well. There are encouraging signs that Canadian magazines are in fact competing, but there is a problem, and once we pass this legislation let us not blame anyone else for what are essentially our own failures. From here on we must be very critical of our own intellectual establishment.

● (2130)

We realize that in many ways we are going against public opinion in this debate, and we must be frank about that. It is not the first time we have gone against public opinion, of course. We have done it with the CBC, with films, with cable, and with our bilingualism program.

We in this chamber have a responsibility to think about not only what is immediately popular but we have a responsibility for the development of a sense of Canadian nationalism. Even if public opinion is not entirely with us on this issue, we have to take our chance.

In many ways I regret that the government brought in closure to halt this debate. I think it was on its last legs anyway. I am not opposed to closure in principle; I voted against closure and I voted for closure, so I am inclined to view it in light of the specific circumstances.

In some ways the Liberal party has never learned to understand the role of the opposition and why the opposition opposes. Unfortunately Liberals have not spent enough time in opposition over the years to give them a sense of what an opposition tries to do. The whole point of an opposition digging in its heels on an issue—even when debates have nothing further to consider in some new and sparkling way that would get the attention of the press—is

to help form public opinion, to give public opinion a chance to jell.

It is unfortunate that closure was brought in at this time when the postal strike is on. *Time* and *Reader's Digest* must be operating under a dark cloud right now. The postal strike could not have come at a worse time for them. They mounted an extensive campaign among their readers asking them to write to their members of parliament, and of course they are free to do this. I am sure we would have received many more letters at the height of this debate telling us their opinions. Perhaps we would still have done as we are doing now, of course; perhaps not a single opinion would have been changed as a result of those letters. Nevertheless the public was entitled to have its views known.

Under these circumstances this was a bad time to use closure. Those who oppose this measure—and I am not one of them—have a genuine cause for grievance. The government would have been well advised and would have shown some sensitivity to have postponed this—not put it off indefinitely but to reach some agreement with the opposition and bring it back when the mail starts again. It might not be the greatest criticism in the world against the government to say this, but it shows the kind of insensitivity that exists on the government side.

Members of the opposition are no more foolish than members of the government. They know that if they talk too loud and long the public will turn against them. Debates cease in this House when the public says "Enough", and most of us are sensitive enough to listen. But the government does not have enough confidence in that kind of sensitivity between members of the opposition, members of the government and the public at large. I am not an opponent of closure and I think there are valid occasions for it, but this is not one of them.

I sometimes fear that my country is in danger of becoming an incestuous, intellectual ghetto. More and more the writers in this country seem to be talking about themselves rather than the events they are describing. I sometimes look at what is written about this country and wonder whether we see the same world. It is almost as though it is a village with a repertory company when seen through the journals and television that we have.

When we talk about providing stimulus and opportunity for people in the arts we are in fact talking about maintaining a very well kept but very small intellectual establishment. Perhaps I should not say this, but sometimes I wonder to what extent their nationalism is a self-serving way of maintaining their own positions and jobs. How many of them are living off their nationalism rather than off their talent? Politicians have many of these faults too, but they run the chance of being defeated; writers, good, bad or indifferent, go on forever. As much as anything else it seems to depend on who you know in this country rather than how good you are.

We have been very accommodating in this country to people in the arts. The hon. member for Spadina (Mr. Stollery) said he does not care how much money we spend. Well, we spend a hell of a lot of money on support of the arts and I have not seen much return. Maybe that is the way the arts are; maybe you have to put a lot of money in to get a little return.

It seems that nobody in this country does anything unless they have a Canada Council grant in their pocket, or a LIP grant, or an opportunities for youth grant. Maybe artists should not be struggling, but it seems to me we have done a hell of a lot of pampering of our artists as a whole and it has not had much effect. We may only be raising a generation not of talents but of people who know how to fill out application forms.

Some hon. Members: Hear, hear!

Mr. Saltsman: We may be the most talented "application form filler-outers" in the whole world. Some people graduate through all the stages—they start with the Company of Young Canadians, go to Opportunities for Youth, then into LIP, and I presume if we wait long enough they will show up in the New Horizons program. Somewhere in between it would be nice to see them get their hands dirty. I am old fashioned enough to think that people should be working in the jobs that exist, rather than insist on creating their own jobs or otherwise they do not work.

Some hon. Members: Hear, hear!

Mr. Saltsman: Mr. Speaker, I am getting the wrong support over here. I will have to look at my notes again.

This debate will decide whether we can survive or cannot survive. From here on we do not want any more excuses about excellence in this country and about whether we can do something. I think we are entitled to be more critical of our people in the arts, and I for one intend to be more critical. We have coddled them in this country—and perhaps they needed it. It is like our manufacturing industry where we have done the same thing. We believe that you have to shelter our infant industries, but then the problem is that they never grow up. In some ways this has also been true of the arts.

We have some good writers but they are few and far between. There is a kind of self-consciousness, a kind of coyness, a kind of determination to be different amongst them. If the country wants to go one way they have to go another way. There is almost a presumption that if the majority of people in the country think one way, they have to be wrong. Some think the artist must be right and the people wrong. Often the artist does not fight on behalf of the people, but against the people. Perhaps that is the traditional role of the writer, thinker, poet, painter, and musician. All the same the people are entitled to have the intellectual establishment understand their viewpoint some of the time. People do not want to be treated contemptuously by those on the top.

● (2140)

The trouble is that a certain group has consciously made itself into an opposition which opposes almost everything, and thinks it must be supported. In a sense, oppositions need people to oppose them. They say, "How can we oppose you if you do not oppose us?" In a sense we must provide the opposition. We have been made too comfortable culturally, and this must stop.

I shall conclude, as I am sure others want to participate in the debate, by recalling something written by Arnold Toynbee, the historian who died recently. The one thing in

his theory of history which impressed me above all else was his theory of challenge. He explained the rise and fall of civilizations in terms of meeting a challenge or being overcome by it. Some civilizations are created in response to a challenge, but others succumb when overcome by too strong a challenge, a challenge they are not strong enough to withstand.

Recently we said that multinational corporations are challenging us too strongly, and their challenge is more than our young country can stand. We reacted by passing legislative measures which will prevent our being challenged too strongly and smothered by superior or stronger forces. But Toynbee also said that civilizations decay because they face no challenges, because they grow soft, complacent, and are over-protected. In some ways our civilization is in greater danger from the second kind of challenge than from the first. I therefore hope that after this measure is passed we shall see evidence of a more vibrant and vital approach on the part of our cultural and artistic people than they have shown in the past.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, all through the debate, strategically interrupted for a few months, the mood in the House has been changing, to say the least, and the enthusiasm expressed by the spokesmen for each party represented here, when the Secretary of State (Mr. Faulkner) announced the long awaited amendments to sections 2 and 4 of the Income Tax Act, turned by some transmutation mysterious to me into an almost general outcry, mostly from members opposite.

Hon. members will remember what the hon. Secretary of State said on January 23, 1975:

[*English*]

The proposed amendment to the Income Tax Act will, as of January 1st, 1976, restore to section 19 the force and intent which its authors had in mind. I am confident that the enterprise and skill of the Canadian magazine industry will seize this opportunity. It is my hope and expectation that this decision of the government will result in the creation of a Canadian news magazine.

[*Translation*]

The spokesmen for the three other parties replied in perfect unison that they agreed in principle with this government undertaking. Thus the hon. member for York-Simcoe (Mr. Stevens) stated:

[*English*]

. . . in responding to the statement just made I would like first to say, on behalf of the official opposition, that we are pleased that the government has clarified this matter at long last. We believe that the move to eliminate the income tax advantage shared mainly by two magazines, *Time* and *Reader's Digest*, is a good one.

[*Translation*]

As for the hon. member for Sault Ste. Marie (M. Symes) he expressed the feeling of the New Democrats as follows:

[*English*]

The NDP welcomes, at long last, the announcement by the government to end the special tax concessions for advertisers in *Time* and *Reader's Digest*.

[*Translation*]

Finally, on behalf of the Social Credit Party, the hon. member for Lotbinière (Mr. Fortin) made the following statement:

Non-Canadian Publications

On behalf of the Social Credit Party of Canada, I should like to thank the Secretary of State for his statement which has finally given birth to his long awaited policy. It would seem that a breath of cultural nationalism to protect Canada's integrity animates the minister and finally incites him, after many hesitations, to now abolish the fiscal advantages granted the magazines *Reader's Digest* and *Time*.

I wonder what may have happened over the past few months which causes the government, through its Secretary of State, to be seen as a big bad wolf which is trying to eat the three nice little pigs, namely freedom of the press, freedom of exchange of ideas and freedom of enterprise?

The answer, Mr. Speaker, can be summarized in one word: lobbying, and very strong and tenacious at that on the part of the firms directly affected, but more specifically the pressure imposed by one of them which has used every means at its disposal to postpone as long as possible, if not indefinitely, the adoption of Bill C-58.

Mr. Speaker, I have nothing against lobbying. This is an institution which, under some regimes, is even officially established and which sometimes provides priceless services in making the legislator aware of certain aspects of a governmental measure which could have been forgotten or underestimated. But when lobbying is unduly pressing, one has to stop and react strongly.

I have myself been submitted to *Reader's Digest's* lobbying, but I have tried to react and understand the real meaning of the problem, the one *Reader's Digest* is deliberatly trying to hide to delight itself in mostly accurate though overly emotive considerations without any direct relations with the object of our discussions. Unfortunately, it would seem that some members have not made the same intellectual process, and this is very regrettable since it is at the root of the imbroglio we are floundering in today.

But what is the real dimension we are all seeking, and how do we settle, in all fairness, a debate whose origins stem from some obscure fiscal concession which should never have been made and on which we must now base ourselves.

The question is not new. The debate did not spring from the sudden need to improve the Income Tax Act; nor was it suggested by some illustrious unknown in the office, on the right, on the sixth floor of the head office of the Secretariat of State who wished to play the amateur archivist and dug up a nice little scandal to seek the limelight. No. Foreign publications have been in our midst for a long time. The degree of influence they have exercised on Canadian culture is not an academic question. In fact, the debate was born when *Reader's Digest* appeared on the scene, in 1942; it became concrete when a royal commission of inquiry was created, on September 14, 1960, under the chairmanship of Mr. Grattan O'Leary, and given the mandate of looking into the situation of periodicals in Canada. The main conclusion of the O'Leary Commission follows, and I quote:

[*English*]

A nation's domestic advertising expenditure should be devoted to the support of its own media of communications, and that a genuinely Canadian periodical press can only exist if it has access to a fair share of domestic advertising.

[*Translation*]

And the recommendation was to prohibit the deduction of the advertising cost in a so-called "foreign" magazine. In

1968, faced with the decline of the periodical industry in Canada, the government of the time established a special Senate committee—if the NDP members have no objection, the Senate is still useful sometimes. The main conclusion of this committee was a reiteration of the recommendations of the O'Leary Commission, namely the removal of the extravagant tax privileges which two foreign periodicals had and still have so that the periodical industry in Canada would have a fairer share of the revenue from advertising and of the overall advertising budget which amounted to more than $35 million in 1973.

But what is the real nature and scope of this Section 19 of the Income Tax Act? It defines in substance what should be considered as a Canadian magazine and enables announcers in these magazines to deduct their advertising cost for tax purposes. The original idea was to give a push to the periodical industry in Canada by helping them motivate the announcers which happen to be their main source of income.

But the addition of subsections (2) and (4) dilutes Section 19 to the point that it lost its incentive value. The exceptions to the general principle provide that, for legal purposes and within the general context of Section 19, some foreign periodicals are considered as Canadian periodicals and that their announcers are entitled to the tax deduction. Bill C-58 precisely aims at restoring section 19 by giving it its full force of incentive to the Canadian industry, by deleting subsections (2) and (4). The aim is praiseworthy, and as it is hard to justify an exaggerated privilege of common law for the benefit of a few individuals, I think it is far more difficult to defend and justify the retention of such a privilege, especially when it is exercised to the disadvantage of the local industry.

The main idea which the lobbyists of *Reader's Digest* tried to convey to us was the following: this publication, being a good Canadian citizen as an employer, an investor or a cultural vehicle, it was unthinkable that it be penalized this way because it had become practically a Canadian. I must say this first argument—retentionist, if I may say so—does not hold any water and that lately *Reader's Digest* also gave up that argument, thus separating from *Time*—by a very simple syllogism. If indeed *Reader's Digest* is a foreign publication—American in this case—no argument will convince me that it is a valuable and distinctive Canadian entity and, therefore, there is no reason to perpetuate an anachronism which has already done too much damage to our own interests. Therefore, the privilege involved is nothing but a fiscal loophhole that only turns to the advantage of the magazine and of the advertisers and which we must fill as soon as possible. If on the other hand, *Reader's Digest* is indeed a Canadian publication, it then falls under the general provisions of section 19, and needs no particular privilege to allow it to operate in accordance with the general law, to enjoy the same standing as the other Canadian magazines and to compete with them with the same weapons.

So, one way or another, rescinding the privilege is not only advantageous but necessary to the exercise of free enterprise which is so dear to my colleagues of the other side—and to me also, I do not want to try and conceal it.

[Mr. Lachance.]

● (2150)

I have on several occasions mentioned the magazine *Reader's Digest* and only this one. That is because, as far as I am concerned, it is the only entity which deserves our attention in this debate, as *Time* does not happen to be Canadian, is not in process of becoming Canadian and has no desire to be "Canadianized." Therefore, in the case of *Time* which is the second most important magazine to be affected by Bill C-58, not only is the repeal of income tax privileges desirable, it stands to reason and is undisputable morally and economically.

As for *Reader's Digest*, the situation is basically different, we must admit. I would like to point out some of the features which—as some hon. members have very aptly explained before me—make *Reader's Digest* an entity, shall I say Canadian and almost Quebecoise.

Reader's Digest has 460 employees in Quebec and provides over 1000 more indirectly with jobs; 60 per cent of the yearly income is spent in Quebec, that is about $18 million. Four out of the six administrators are from Quebec; each word printed in its two Canadian editions is read, edited or written by its copy-writers in Montreal; $8 million are invested in Quebec, and I will not linger over all the rest.

In the light of this information, what prevents *Reader's Digest* from meeting the requirements of section 19 of the Income Tax Act?

To solve this problem, we have to go back to the sources, namely to section 19 and consider each appreciation criterium to see if *Reader's Digest* comply with them or not.

We hear about control of editorial policy. In this regard, and even if we could argue for a long time and if the court alone could make a definite decision, we should, in my opinion, give the benefit of the doubt to *Reader's Digest* which openly declares, through its management, that it carries its whole business in Canada, be in the choice of its policies, of the publishing or of the broadcasting mechanisms.

We are also told about beneficial ownership. *Reader's Digest* already clearly indicated that, provided it is given a certain time to reorganize its financial structure, it could eventually meet the 75 per cent requirement. We also hear about the Canadian content and the publication under license, and this is where things go wrong, because *Reader's Digest*, with the best will in the world, will never be able to meet this third requirement because of the very nature of its publications.

We should stop here for a while and reassess the status of that magazine.

Let us suppose for a few minutes it is a foreign magazine. Some journalists have accused us of intending to hinder the circulation of ideas by trying to expel magazines which presently benefit from the special privilege under section 19 (b). Are they not overreacting to a certain point? Our intention is not to turf out those magazines. They can abide by the law if they meet the specifications mentioned in section 19 and become Canadian magazines. Otherwise, like hundreds of other very popular foreign publications, which in fact get no special treatment from government, through a wide circulation they can nevertheless benefit from advertising revenues and be sold in Canada, so that no Canadian will be deprived of the right

to read them. This applies to foreign magazines, for instance *Time*.

But is *Reader's Digest* truly a Canadian magazine? For reasons rapidly outlined earlier and other reasons already dealt with at length by my colleagues, I will answer through a double negation which almost amounts to an affirmation in the present case, for the rigid laws of mathematics are not always applicable in politics. *Reader's Digest* is not a foreign magazine, but it is not a Canadian magazine proper either, at least within the meaning of section 19. In fact, it is Canadian in soul if not in right, and to me this is sufficient justification to dig deeper and explore the avenues which would enable it to comply with legal requirements and even more. We have to make concessions if there is an element of sincerity in our wish to see the publication of *Reader's Digest* continue in Canada.

Mr. Speaker, I see it is ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSING—REQUEST FOR ASSURANCE NO INTERFERENCE WITH INSTALLATION OF INFRASTRUCTURE TO SERVICE DEVELOPMENT IN SOUTHWEST PART OF CITY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on July 30, 1975, I asked the Minister of State for Urban Affairs (Mr. Danson) questions with regard to certain assurances that I wanted from him as the spokesman in this House for the National Capital Commission. The questions are set forth at page 8069 of *Hansard*. They had to do with the attitude of the government with respect to the crossing of federal lands by infrastructure which might serve development in various parts of the national capital region outside the green belt. I suppose the question would equally apply to areas adjacent to other federal lands.

The matter arose in the House as a result of a newspaper article which appeared in the Ottawa *Journal* on the same day. That story attributes a number of rather startling statements to "an official NCC spokesman" who was subsequently identified to me as the commission's public relations officer.

We can take it for granted that there is a difference in view between the NCC on the one hand and the regional, municipal, and provincial authorities on the other with respect to the priorities to be given to development. I think that is a matter of which we are all well aware. This is a difficulty we shall have to resolve by consultation, I suppose, as time goes on. My respectful submission to the minister and to the NCC was that the difficulty clearly could not wait for a decision by the parliamentary committee. I suppose that in terms of the needs which have to be met, particularly with respect to housing, it will need to be resolved before the parliamentary committee can reach a conclusion.

● (2200)

Aside from all that there is a direct quotation in the story attributable to the spokesman which concerns me. The spokesman is quoted as saying that the NCC would have to "consider the use of the green belt land for trunk sewers and other facilities that would be required by private developers in South Gloucester and South Rideau". This clearly evinces the attitude of the Commission. It shows the Commission is giving serious consideration to doing exactly what the Minister of State for Urban Affairs said on the same day in the House he would not do. This conflict must be resolved by a statement which indicates that in fact when the minister was speaking in the House he was speaking for the Commission. The dates of the conflicting statements are just too close to be ignored.

The minister's answer in the House reads, in part: "I can assure the hon. member we certainly will not be obstructive in any Draconian sense". This implies to me that there could be obstruction in some sense and I would like to have this aspect cleared up by the minister.

The story in the paper contains the following statement:

> The NCC spokesman did not deny that this (referring to the statement) was a thinly veiled threat that private development might be left high and dry in South Gloucester and South Rideau with their access to sanitary facilities in the capital blocked off by the NCC green belt.

Frankly this conflict, the two types of answer on the same day, one by an official of the NCC and another by the minister in the House, even the rather veiled answer which is not uncharacteristic of the minister, cannot be allowed to stand.

I raise the matter during the adjournment debate in order to give the minister the opportunity to place the position before the House, not just the position of the NCC but the position of the Government of Canada with respect to the use of the green belt and other land for the provision of the infrastructure necessary for the development of land, whether private or otherwise, in the national capital region. In conclusion I would say it is important that nothing be done or said by the government, by any member of the House or, indeed, by the National Capital Commission which could in any way interfere in what I hope will be a good relationship, a relationship of mutual trust. I am afraid that the statement which was made, coming as it did on the heels of the statement by the minister in answer to my question, did nothing to clear the waters and I would be glad to receive an assurance from the minister in a specific way.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am rather interested in the hon. member's concern for housing in the national capital area. I thought he was only interested in parkland which would not be used for housing. What we are looking for now is more housing, moderately-priced housing and again, in another area, not to use what could be excellent recreational land for housing purposes.

I believe the policies of the NCC and other governments in the past involving purchasing land in advance have served this region exceedingly well. Consider the great

development of the capital area as a result of these far-sighted decisions. The hon. member mentioned the need to make a decision before the parliamentary committee makes its report. I would expect that the committee would be some time before it makes a final report, but if it has anything to say in an interim report that, of course, would be exceedingly helpful.

I did use the words "will not be obstructive in any Draconian sense". I have to be perfectly honest and fair; it is necessary to state what my position is. I meant Draconian in the sense of trying to force an issue in a way that is distasteful. That we would not want to do. We are looking for co-operation and for a good, on-going relationship. I have really searched my soul on this one and sought the advice of many for whom I have great regard professionally, whose integrity as far as I am concerned is beyond question.

I strongly believe that if anything is done to delay or inhibit development of the southeast part of the city we will again be in one of these ever-repetitive situations. We will continue to have urban sprawl if we do not get the planning that we want or the housing at the cost we want.

If the hon. member asks me for a specific explanation, I put it in the terms that I am not at all inclined to recommend those things that would inhibit in any way the process of improving the situation and getting the southeast city project moving as quickly as possible.

COMMUNICATIONS—ALLEGED DETERIORATION OF TELEPHONE COMMUNICATIONS SYSTEMS—SUGGESTED DENIAL OF RATE INCREASES PENDING IMPROVEMENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, the question I am debating tonight has to do with one that I placed before the Acting Minister of Communications, and I am glad to see his very capable parliamentary secretary here tonight. Naturally, as is usual, I got the continually evasive answer that the matter would be looked into, which never is the case; so thankfully I have this avenue of approach tonight.

The problem I have presented is, to my mind, basic and reasonable. It is to request the Department of Communications—and also remind them of their responsibilities to Canadians—to provide normal, adequate telephone Communications on the premise that every Canadian, regardless of where he lives in Canada, is deserving of this normal, expected service.

The province of Newfoundland is usually the last to get any type of communications service. I could mention the neglect and utter disregard of the Canadian Broadcasting Corporation in fulfilling its responsibility to all Canadians who, even at this date, do not have the normal television service. And what is most disgusting to me and to the Canadians I represent is that that corporation, with all its high-priced officials, could not care less about its duty to all Canadians.

The question I am debating tonight shows that nobody cares about Canadians who live in remote and isolated areas, and who are continually being ignored by such organizations as Canadian National Telecommunications and Bell Canada. Why the government cannot see the phonyness that exists with regard to these two agencies is

[Mr. Danson.]

beyond me; but again the Canadian Transport Commission is just as neglectful and anti-Canadian as the agencies it is supposed to direct.

As a result of the persistent postal strike it should be incumbent upon the government opposite to ensure that Canadians can use the only alternate service available, the telephone service, and the companies that have a monopoly on that service should also ensure that Canadians everywhere are able to utilize it, are able to contact not only their members of parliament, some of whom are conscientious enough to try to serve them, but also contact someone in the case of emergency.

Not only are these companies incapable of providing this service in order to cope with the breakdown of the postal service, they cannot even fulfil their normal service responsibilities to all sections of Canada. What is more depressing is that the Canadian Transport Commission continues to grant these companies increases in rates, at the same time ignoring the service that they are supposed to be providing.

These agencies should not only be condemned. It is strange and ridiculous that whatever agency is responsible to provide on Parliament Hill enough lines for members who happen to serve remote areas of Canada and want to serve their constituents cannot do so. Members must go literally through torture to make a normal phone call to those they are trying to serve because there are not enough lines available. I have gone through this cancerous situation now for far too long, and while I have tried to be reasonable in my requests it is obvious that the bureaucratic disease persists to the point of no return. I can only say it is a sorry state for Canada that this disease continues to persist while nobody cares.

● (2210)

I can only condemn those elements I have mentioned, and I can only hope again, that perhaps someone will take some notice of the ridiculous situation that exists with regard to all these communication agencies for which this government and parliament are responsible, and either investigate the neglect, insisting that the agencies prove their capability to cope with their responsibilities, or have the guts to deny them any increases in rates which they request until they do so.

If I had the time I could give you almost verbatim the tales of woe and excuses I will receive in reply, the excuses, and the declarations of planning to improve the service, but nothing will be done because there is no justice and no consideration for those Canadians who need the normal services these organizations are supposed to provide. I know I will be just as disgusted after the answer is given as I now am. I hope the very capable parliamentary secretary will be able to give me some responsible answers and that I will see an improvement in the services to those Canadians who seem to be denied the services they deserve.

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I only wish when the hon. member opposite mentions so many serious situations which deserve thoughtful and lengthy answers I could, within the restricted time available to me, reply to

them all, giving him some satisfaction. I am sure he appreciates it is impossible for me to cover all these areas in depth. I intend to try in the minute or two available to touch on one or two of these areas, not by way of excuse but by way of explanation.

We have a problem of divided jurisdiction, of which the hon. member is well aware. That is not to say there are not real problems that need correction within the area of Newfoundland where jurisdiction is divided between the CNT and the province itself.

As an example, only a few months ago a United States base closed down in northern Newfoundland with very little notice, and the telephone system in that area was placed in serious jeopardy. Although the Department of Communications had no specific program, with the granting money available it did find $50,000 in order to give assistance on an emergency basis, allowing continuation of service in that area.

There are programs under way to improve communications services in Newfoundland. Telephone systems are extremely expensive, however, especially when long distances are involved.

Of course I cannot answer the criticism of the hon. member concerning the Canadian Broadcasting Corporation which is the responsibility of the Secretary of State (Mr. Faulkner).

I would point out that the Canadian Transport Commission only a week or so ago ordered a reduction in the rate increase application by B.C. Telephone. I personally, as one member of the House of Commons, was encouraged by that, and I am going to watch with interest to see how Bell Telephone is dealt with by the CTC in those hearings now under way.

I do know that the hon. member in trying to get through to his constituency from Ottawa has had some difficulty.

In conclusion I simply want to note that partly because of the use made of the telephone system by the government telecommunications agency, the long distance network serving the Ottawa area has been working at close to capacity in recent months. The telephone company is currently installing additional equipment to relieve this situation, and when this work is completed there will be a safety margin of excess capacity for some time to come. I sincerely hope that will be of assistance to the hon. member in communicating with his constituents.

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

Motion agreed to and the House adjourned at 10.17 p.m.

HOUSE OF COMMONS

Friday, November 14, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

SOCIAL SECURITY

POSSIBLE LOWERING OF AGE OF ELIGIBILITY FOR OLD AGE PENSION TO 60—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Considering that the great many unemployed young people in the 18-25 age group are a problem which causes serious concern in this age group, because the country is thus deprived of their energy and talents, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House urge the Minister of National Health and Welfare to introduce in the House as soon as possible a bill for lowering the old age security pension entitlement age to 60, for those people who are willing to retire to make room for our young people.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Postmaster General. One week ago today the Prime Minister said in the House that the government would not then introduce legislation to restore postal service to Canadians and it was a matter of judgment as to when the public disservice outweighed the freedom of the right to strike. I ask the Postmaster General, since the strike is now nearly four weeks old, the longest in our history, how long, in his judgment, will the people be forced by government inaction to endure the hardships created by the postal disruption?

● (1110)

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, as the Prime Minister indicated, what is too much harm is a matter of judgment. Fortunately, the business community is adjusting nicely to alternate methods of communication. Postal workers themselves are helping by setting up their own private couriers, which relieves a lot of the pressure. If I were to judge by the mail, I have had 3,810 telegrams of which three have been adverse, I shall be able to stand by my prediction that, possibly, at any time between now and Easter, depending on when the government feels it is in the best interests of the country, the strike will be resolved. But let me say this: this question would be better directed to the leaders of the union who, if they were to give their workers the democratic right to vote by secret ballot, would probably find that the workers would be back to work the next day.

STRIKE OF INSIDE WORKERS—ACTION TO ENSURE VOTE ON GOVERNMENT OFFER

Mr. Bill Clarke (Vancouver Quadra): A supplementary question, Mr. Speaker. On Wednesday the Prime Minister also said that our proposal for legislation under which a government-supervised vote by Post Office employees could be held was worth considering at a later date. I ask the Postmaster General to tell the House what plans the government now has to ensure such a vote, in the public interest and the interests of democracy, of which he spoke?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, because of our views on democracy, we hate interfering with recognized organizations. As the hon. member knows, I received a telegram from the Canadian Labour Congress, which was highly publicized. I sent the following answer which, as it is short, I shall read:

I suggest you—

Meaning the Canadian Labour Congress:

—use the influence and prestige of the Canadian Labour Congress to convince the Canadian Union of Postal Workers that it is in the best interest of their members in particular and of the labour movement in general to conduct a secret vote, permitting the members of CUPW to accept or reject the government's final offer. This would eliminate charges that the trade union movement is an undemocratic structure. It would be further useful if the Congress would supervise this secret vote in the interests of all concerned.

Mr. Clarke (Vancouver Quadra): A final supplementary question, Mr. Speaker. Is the House to judge that, in the opinion of the Postmaster General, the government should refuse to take any action whatever to bring this postal disruption to an end?

Mr. Mackasey: No, Mr. Speaker. This is a matter of judgment. I could easily judge that the hon. member is trying to make political hay out of an embarrassing situation. People are bound to be hurt by strikes and this has never been denied. It depends on the value you place on democracy, and I place a greater value on it than the hon. member does.

STRIKE OF INSIDE WORKERS—PROPOSED DEBATE ON GOVERNMENT'S POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct my question to the Acting Prime Minister? Notwithstanding what the Postmaster General just said, since neither the Postmaster General nor the postal union will protect the public interest, will the Acting Prime Minister bring the government's position before the House for debate as soon as possible, since parliament is the last refuge of the public interest?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not agree with the premise of the question posed by the hon. member. I believe the Postmaster General is acting in the public interest, and I think public support justifies my statement. There will be opposition days when the official opposition can put down a motion of this kind, if they wish.

Mr. Alexander: A supplementary question, Mr. Speaker. I do not accept the Acting Prime Minister's answer. It appears that the Postmaster General is playing games at the expense of the public. The strike has continued for 25 days, millions of dollars have been lost and small businesses are affected adversely. Does the Acting Prime Minister not think that the public interest and the maintenance of essential services take precedence over the myth of collective bargaining as practised by the Post Office and the theatrics of the Postmaster General?

Mr. Sharp: Mr. Speaker, as the Prime Minister said and the Postmaster General confirmed, this is a question of judgment. I think it is very much in the public interest for the union involved to make the offer made by the Postmaster General and the Treasury Board available to its members, for voting. I think that would be the more democratic way of dealing with this issue. Unfortunately, so far that has not been the view of the union leaders. I think they should be given time to reflect.

Mr. Alexander: At the expense of the public.

* * *

HOUSING

ALLEGATION NO HOUSES BUILT UNDER AHOP PROGRAM IN TORONTO THIS YEAR—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question to the Minister of State for Urban Affairs arises from the report on housing published yesterday in the city of Toronto. According to that report, not a single housing unit was built in Toronto under the AHOP program for the second year in a row. In addition, the limited dividend program has been largely ignored by private developers. Considering that the minister's so-called new AHOP program amounts to simply tinkering with some of the details, how does he expect the housing needs of the people in that and other cities to be met in the coming months?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, figures in my files indicate that some 832 units were built in Toronto under AHOP between January and September of this year. I think that is pretty good. We want to see an even better record in the coming year with the new program. With regard to the limited dividend program, I am sorry that I do not have the figures with me. However, it has been a considerable success in Toronto. Indeed, a high percentage of the rental accommodation being built in the Toronto region is on the assisted rental program. We want to see an increase in that as well.

Mr. Broadbent: I suggest with respect that the minister has probably confused the figures of metro Toronto with the city of Toronto.

Some hon. Members: Oh, oh!

Mr. Broadbent: That is not an insignificant distinction, and I think the minister would agree. I am basing my statements on the report of the city of Toronto. During the first nine months of this year, only 1,068 units were started in the city of Toronto as a result of the initiative provided by the private sector. In the province of Saskatchewan, in particular, where there has been the greatest success compared with other provinces in meeting housing needs, a shift has been made to the non-profit sector. The city of Toronto, for example, has been appealing for assistance in the non-profit sector. Why, then, does the government not do more for non-profit housing?

Mr. Danson: I can understand the leader of the NDP dreaming of Saskatchewan all the time, but the fact is we are working closely with the city of Toronto and the province of Ontario in trying to accelerate non-profit programs. There have been some delays, but some very active consultations have been going on. The fact remains that construction in the major cities for new residential accommodation has not reached the level we would like. Naturally, such construction has taken place where there has been more land available. We fully expect that our new program, with the incentives to higher density forms of housing and lower cost housing, will indeed encourage construction, if not right in the core, in the major cities. This will be medium density and in some cases high density housing. It will make the best use of the land and the city will receive a $1,000 grant per unit built under that program. I think it will assist the city of Toronto and, indeed, many other municipalities across this country.

EFFECT OF LAND SPECULATION ON HOUSING COSTS—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Has the minister had a chance to look at the report prepared by Mr. Lorrimer on the effect of land speculation in the metro-Toronto region? He has estimated that some 24 per cent of the average price of a new housing unit in metro-Toronto during the past year is as a result of profits from land

speculation. If that is the case, what does the government intend to do to stop this speculation in land?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it is my view that a lot of the heat, not all, has been taken out of the speculation sales. The biggest factor in land costs now is the delay in approvals of bringing in serviced land for housing production. I share the hon. member's concern. I am asking the housing ministers to meet in Ottawa on the twenty-fifth of this month. This is one of the subjects to which we want to address ourselves in a very substantial way. It has been a matter for discussion at all of our meetings so far. We all recognize that it is one of the major areas of concern, even with the additional incentives which we are providing of $1,000 per unit and the additional sewage treatment and water treatment programs we have proposed in our new set of housing policies. We want to do all in our power to work with the provinces to see that this land is brought on stream as soon as possible without undue bureaucratic delay and that the concerns of the municipalities are taken into consideration.

* * *

● (1120)

[*Translation*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

SUGGESTION REGIONAL OFFICES BE INFORMED OF NEW POLICY

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I also wish to put a question to the Minister of Urban Affairs.

On November 3 last, the minister announced a new Canadian housing policy. To date, the regional offices of the CMHC have had only the newspapers as a source of information on that policy. Can the minister tell us why he has neglected to inform those offices, and whether he intends to do so in the near future?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): We have been advising regional offices as rapidly as we can. Indeed, on the day of the announcement the regional officers as well as the district officers were all advised by Telex where possible. Otherwise, local management was to come in for as thorough a briefing as could be arranged. The hon. member will understand that much of the detail cannot be given until the legislation passes through the House. However, the fullest possible information is being given to the regional officers; this was arranged as part of our initial planning, but if the hon. member knows of some offices which have not yet been informed I would be interested to have particulars; I would urge him to send me a note or drop over to see me because I shall be meeting later today with the President of CMHC.

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—INQUIRY WHETHER QUEBEC AND FEDERAL GUIDELINES SIMILAR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who told us a number of days ago he would have to read the Quebec legislation concerning controls within the area of jurisdiction being preserved by the government of Quebec before he could inform us whether guidelines would be uniform or would vary from province to province. Has the minister satisfied himself that Quebec is following the same guidelines as the federal guidelines?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker. Bill No. 64, I think it is, is virtually identical to the federal bill.

While I am on my feet perhaps I could deal with another matter. Yesterday the hon. gentleman asked me about the budgetary deficit. I responded with regard to the figure concerning cash requirement and perhaps I could correct my answer. The figure of between five and six billion dollars represents the government's cash requirement and not the budgetary side alone.

Mr. Stanfield: Now, Mr. Speaker, in which direction do I go?

An hon. Member: Hang in there, Bob!

Mr. Stanfield: I will deal with the deficit later in the question period. The minister has not answered my original question. I was not asking whether the terms of the legislation are the same. I was asking whether the guidelines with regard to salary increases, for example, are the same as the federal guidelines. I would like a specific answer to that question.

Mr. Macdonald (Rosedale): At this point all we have before us is the Quebec bill, just as we have before us Bill C-73. Quebec has, of course, chosen to set up its own administration in this regard. I have no reason to believe that, having adopted almost a mirror image of the federal legislation, Quebec will not be making every effort in the application of that legislation to follow the same principles as we are following.

ANTI-INFLATION PROGRAM—REQUEST FOR STATEMENT OF POSITION OF EACH PROVINCE ON GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): A final supplementary question, Mr. Speaker. I am not surprised that the minister tried to create a diversion, but I am surprised that he cannot tell this House even at this date, many weeks after the announcement of the government's program, about the position of the provinces.

I want to ask the Minister of Finance whether he will be able to assure the committee before the anti-inflation bill is reported out of committee what is the position of each of the ten provinces, or those that are coming into the program and allowing the federal government to administer it totally. In the case of a province such as Quebec, which is preserving its own jurisdiction, can the minister tell the committee precisely what guidelines the province of

Quebec, or a province taking a similar position, will be following? It seems to me that both the committee and the House are entitled to have this information before the government proceeds.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I hope the hon. gentleman will not try to misrepresent the situation. We have put before the House a legislative proposal which enables the provinces to make a choice whether they come in or stay out. Some provinces have made that choice and made their announcements. It would not be our intention to make their announcements for them. Those provincial governments will have to indicate what their position will be, and presumably they will want to indicate it to their legislatures.

As to whether a province will come forward and announce this by the time—I hope a matter of a very few weeks—the bill receives royal assent, I cannot be sure. I cannot be sure if the remaining provinces will take a position and announce it. I think it would be desirable for themselves and for the program to do so but, after all, that is a matter of provincial decision making. We have gone back to them with this option. We have provided them with the full background. We hope they will soon make that decision.

As to the guidelines that a particular province will follow, we have had the assurance from Quebec that they will be closely paralleling the federal program. I invite the hon. gentleman to examine Bill 64 and to compare it with Bill C-73. Inevitably this will happen where a separate tribunal considers these matters, but the application will have to be decided by the tribunal to be created in Quebec in accordance with the judgment of those involved. I cannot give the hon. member the assurance that everything that the Quebec tribunal does will be exactly identical to what the federal tribunal will do. I think that surely speaks for itself.

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POST OFFICE

INQUIRY WHETHER UNION MEMBERSHIP COMPULSORY—REQUEST THAT RIGHTS OF NON-UNION CASUAL EMPLOYEES BE PROTECTED

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Postmaster General. It has been brought to my attention that postal union members returning to work are being threatened with expulsion by their union. My question is: Is it compulsory to be a member of the union to work in the post office?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, this is not an isolated incident; it has been happening in Vancouver, Moncton, Hamilton and other places. It is not necessary to be a member of a union. If the union suspends a worker, then within the collective agreement there is what is known as the Rand formula, which permits a non-union worker to get all of the benefits of working in the post office, job security and all the rest of it, providing equipment and union dues are deducted and paid over to the union in accordance with the Rand formula.

[Mr. Stanfield.]

Mr. Alkenbrack: A supplementary question, Mr. Speaker. Would the Postmaster General see that the rights of casual non-union employees are maintained in this dispute?

Mr. Mackasey: Mr. Speaker, this is a little different question concerning casuals who are not members of the union. Casuals were always used to provide service when there was a high volume of mail. This right has not been eroded. Management has maintained that particular right, even though it has spelt out certain situations that limit the use of casuals.

While I am on my feet, Mr. Speaker, may I express satisfaction at the fact that the hon. member for Brandon-Souris, who underwent very serious surgery yesterday of a cardiac nature, has recovered, and I think I speak for both Houses when I wish him God speed.

Some hon. Members: Hear, hear!

* * *

● (1130)

EXTERNAL AFFAIRS

PROPOSED COMMITTEE CONSIDERATION OF CANADA'S CONTINUED PARTICIPATION IN UNITED NATIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, in the absence of the Secretary of State for External Affairs I have a question for the government House leader. Will the government agree to an order of reference by this House to the Standing Committee on External Affairs, that the committee immediately begin hearings to review the future prospects of the United Nations and Canada's present and future participation in that organization, in light of the adoption in the United Nations of the despicable resolution which was unanimously condemned by this House in a motion it agreed to earlier this week?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, on behalf of the Secretary of State for External Affairs I will give this suggestion consideration.

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ENVIRONMENTAL AFFAIRS

REQUEST FOR CLARIFICATION OF STATEMENTS ON EMISSION STANDARDS APPLICABLE TO SYNCRUDE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of the Environment, and it again concerns the Syncrude project. Yesterday in the House in answer to one of my questions the minister said that this problem in respect of emissions is mainly a problem for Alberta, and therefore we do not have national guidelines or standards relating to that specific type of industry. The minister then went on to say that any such activities should themselves fall well within the standards established by the Department of the Environment. I am wondering if the minister would like now to clear up that somewhat lethal fog she left over the House following those questions yesterday?

Hon. Jeanne Sauvé (Minister of the Environment): Yes, Mr. Speaker. I was speaking of two kinds of standards; the standards relating to emissions in the atmosphere from industrial stacks, and, in the second part of my answer, I was speaking about the standards or government policy, to the effect that any major development or project in which the federal government is involved would have to fall within that policy, which means it would have to be subject to environmental assessment.

VALUE OF TEN-YEAR STUDY OF ENVIRONMENTAL HAZARDS OF SYNCRUDE TO THOSE WORKING ON PROJECT IN 1979

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, in addition, when answering the same series of questions, the minister indicated there was a $40 million study into this problem which would take place over a ten-year period. In view of the fact that the Syncrude project will be on-stream in late 1978, and all the predictions are for late 1978, what assurance can the minister give to those who may be suffering health hazards in 1979 that the study which is going to take place over ten years will work *ex post facto* to help them in terms of the cancer and like problems which might develop?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the hon. member knows a great deal about the health problems which can flow from developments of this sort than I do. Our research and assessment does not allow us to say there is this kind of danger which would be identifiable at this time. We do have concern, though, because we know these developments will have some considerable impact on the environment. That is why, in preparation for that development over a period of several years, and the hon. member certainly knows this development is not going to occur overnight—we have embarked on this very important and comprehensive study of all the impacts on the environment. We are preparing ourselves, getting the data and information we need in order to be in a position to assess the situations as they present themselves.

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EXTERNAL AFFAIRS

ACTION TO MAKE CLEAR CANADA'S ABHORRENCE OF VIOLENCE BY PALESTINIAN LIBERATION ORGANIZATION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I direct my question to the Acting Prime Minister. In view of the terrorist act which took place in Zion Square in Jerusalem yesterday, killing seven people and wounding 34, and considering the fact that the Palestine Liberation Organization through its news agency WAFA has officially claimed responsibility for that action in commemoration of the first anniversary of its leader, Yasser Arafat's visit to the United Nations, and his waving of the olive branch, will the minister advise the House what instructions if any were given or are to be given to our ambassador at the United Nations that Canada's abhorrence of terrorism by the PLO be clearly demonstrated, at a time when the PLO is about to be invited by the government of Canada to participate in the United Nations Conference on Human Settlements in Vancouver?

Mr. Hees: That's a very good question.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the attitude of the Canadian government toward terrorist activities is very well known. Like the hon. member, we deplore them and we have protested in most vigorous terms. We have stated Canada's position on many, many occasions, and as to whether it would be appropriate for us to make another protest on this particular occasion, I will take this suggestion under consideration. The Secretary of State for External Affairs has said, and his position has been confirmed by the Minister of Manpower and Immigration, that at the Habitat Conference representatives of observer bodies such as the PLO will be permitted providing they are not terrorists.

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IMMIGRATION

SUGGESTED PROHIBITION OF ENTRY INTO CANADA OF MEMBER OF PLO EXECUTIVE TO ATTEND MEETING IN OTTAWA

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to direct this question to the Minister of Manpower and Immigration. In view of the fact that the Ottawa public affairs group of the Voice of Women has arranged for a public forum next Monday night at the Ottawa Public Library on the subject of how Zionism is a form of racism, to which meeting has been invited Mr. Shafik Al-Hout, director of the PLO delegation office in Beirut, Lebanon, and vice-chairman of the PLO delegation at the United Nations and a member of the PLO executive, will the minister indicate to the House what steps will be taken by the government to prevent the entry into Canada, for such purposes, of this leader of the terrorist organization, thereby acknowledging that this House's condemnation of the United Nations resolution is not just a matter of words, and thus preventing regrettable retaliation methods which, although not to be encouraged, can be expected?

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as indicated by the President of the Privy Council, the policy has been clearly stated and no terrorist will be allowed in.

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[*Translation*]

EXTERNAL AFFAIRS

DATE OF ANNOUNCEMENT OF HELSINKI AGREEMENT PROVISIONS

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I want to put a question to the Secretary of State for External Affairs. In his absence, I will put it to his parliamentary secretary.

First, can the minister tell the House why the details of the Helsinki agreement, which has been signed by Canada

last August, have not been made public yet, contrary to the provisions of the agreement? Second, when does the minister intend to make this agreement public? Third, what interpretation must be given to the clause recognizing the right of peoples to self-determination?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I apologize, the Secretary of State for External Affairs intends to table the final document of the agreement of the Conference on Security and Cooperation in Europe. I understand that arrangements have been made with Information Canada to make this text also available to the Canadian public.

As for the other part of the question concerning self-determination of the peoples, the concept of equal rights of peoples and the right of peoples to self-determination appears in the final act of this conference, even if it was approved in an European context, and is the same concept which appears in the charter of the United Nations. Consequently, the states which took part in the conference must abide by that principle and always act in accordance with the objective and principle incorporated in the charter of the United Nations as well as by the standards of international law, including those concerning the territorial integrity of the states.

[*English*]

REQUEST FOR REPORT ON TRADE NEGOTIATIONS WITH CARIBBEAN COUNTRIES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question was for the Secretary of State for External Affairs, but I gladly turn it over to the parliamentary secretary. It concerns the meetings this week of Canadian and Commonwealth Caribbean officials on important trade and aid matters.

In light of our long established special relationship with this area, can the parliamentary secretary advise as to the progress of negotiations and particularly as to the splendid suggestion from the Caribbean representatives that Canadian visitors to their area be allowed to bring back larger quantities of duty-free rum?

Some hon. Members: Hear, hear!

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I should like to thank the hon. member for his question, and to express our pleasure that members of the delegation, all of whom have met with the Secretary of State for External Affairs, are with us this morning. I can assure my hon. colleague that the consultations with Canada are continuing in—

● (1140)

An hon. Member: A spirited manner.

Miss Bégin: —the usual warm and forthright manner, which is characteristic of the relationship between our countries, and that progress is being made. We are to have a round of other economic consultations in the near future. As to the alleged possible international agreement on rum, I do not have any more details.

[Mr. Joyal.]

TRANSPORT

FERRY SERVICE TO PRINCE EDWARD ISLAND—ACTION TO IMPROVE SCHEDULING DURING SUSPENSION OF SECOND SERVICE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a brief question to the Minister of Transport. What action is his department taking to improve and further rationalize the scheduling of the one operating ferry service between Prince Edward Island and the mainland during this period when the second service is suspended and when there is a heavy movement of trucks, chiefly due to the transportation of farm products?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will look into that question and see whether I can provide an answer.

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COMMUNICATIONS

CABLEVISION—REACTION TO UNITED STATES RULING BORDER STATIONS CAN STOP SENDING TELEVISION SIGNALS TO CANADA

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Acting Prime Minister in the absence of the Minister of Communications. What is the immediate reaction of the government to the ruling of the FCC that it is reasonable and feasible for border stations to stop sending television signals into the Canadian area.

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the department has only just received the FCC statement and hopes it can have a few days to investigate and make a response which has been requested by the FCC. I would point out that at the moment the American stations in question are licensed according to their American audience and the revenue available from that audience. Also those stations could not act, for instance, with another United States community close by such as Buffalo or Rochester in the way in which Buffalo now deals with Canada. Over the past 15 or 20 years Canadian stations have lost almost a quarter of a billion dollars in revenue to United States stations. That is the reason the CRTC is as concerned as it is.

Mr. Speaker: One further supplementary.

Mr. Gillies: Mr. Speaker, is the government making representations to the FCC under conditions of international law about barring the transmission of programs from this particular source.

Mr. Fleming: Mr. Speaker, it is true, as I said earlier, that the department will want to respond to the FCC. There is also the question, aside from the FCC, of international regulations concerning broadcasting and whether they will be contravened. As well as that the Canadian courts at two levels have upheld the powers of the CRTC to allow commercial deletions.

AIR TRANSPORT

POSSIBLE REMOVAL OF RESTRICTIONS AGAINST DEVELOPMENT OF DOMESTIC TRAFFIC BY CP AIR

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is directed to the Minister of Transport. In this new-found spirit of competition in the air industry is the minister considering the removal or the expansion of the 25 per cent ruling which curtails development of CP Air traffic in Canada.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there has been no consideration of any specific change of that nature.

Mr. Speaker: The hon. member for Winnipeg South Centre.

Mr. McKenzie: Mr. Speaker, my question is for the Minister of National Defence, but since he has left his seat perhaps I might ask it later.

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EXTERNAL AFFAIRS

GOVERNMENT POSITION ON POLITICAL GROUPS IN CANADA WORKING TO OVERTHROW GOVERNMENT OF FOREIGN COUNTRY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to put my question to the Acting Prime Minister. In view of the fact that yesterday Jean-Pierre Bourdouxhe, the secretary of the New Democratic Party of Quebec, confirmed that his party is, in his words, raising funds for the Chilean socialists in exile for the purpose of overthrowing the present Chilean government—and I see that the federal NDP approves this as well—could the Acting Prime Minister advise this House whether it is government policy to condone any political group in Canada working for the purpose of bringing down some foreign government and if not what steps is the government taking to bring this irresponsible precedent to an end?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, ordinarily it would not be government policy to interfere in any way with groups which hold political views. I understand there are some on the other side who are working to bring down this government.

Some hon. Members: Hear, hear!

Mr. Sharp: Our main concern in this regard is to discourage violence and terrorist activities of any kind.

* * *

IMMIGRATION

ALLEGED MISUSE OF MINISTERIAL PERMITS BY CHILEAN REFUGEES—GOVERNMENT ACTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my supplementary question is directed to the

Minister of Manpower and Immigration. Following on my questions of two days ago regarding the misuse of the special ministerial permits issued to and signed by 55 Chilean immigrants admitted to Canada, some of whom are now taking part in international subversive political activities in this country, I should like to ask the minister first, why there were only 55 immigrants compelled to sign these permits when over 3,000 Chileans were admitted to Canada at that time? At the same time could the minister advise this House what steps he is prepared to take to overcome the illegalities as they relate to his department?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the only persons asked to sign those statements were the 55 signees who took refuge in the embassy at Santiago at the time of the coup and were let into Canada on minister's permits. If there is a contravention of the permits in that particular case we would want to look into that but I am not satisfied yet that this has occurred.

* * *

SOCIAL SECURITY

SUGGESTED EARLY INTRODUCTION OF GUARANTEED ANNUAL INCOME

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the very strong statement issued yesterday by the National Council on Welfare expressing concern for the plight of the poor in Canada in light of the present anti-inflationary program and urging that income and support implementation programs are even more essential given the economic policy the government has announced, can the minister say whether steps are being taken to speed up the introduction of the guaranteed annual income or other programs of income supplementation?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all I should like to advise the hon. member that one of the fundamental objectives of the government anti-inflation program at the present time is precisely to assure the underprivileged in our society that their incomes will not be eroded by inflation. One of the real objectives of this program is to assist the underprivileged.

The success of this anti-inflation campaign will certainly have a great impact on the standard of living of the underprivileged. Concerning the program of income support and income supplementation which has been under consideration with the provinces for a few months now, I have just come back from a tour of the provinces in which I met all the ministers responsible for welfare at the provincial level. We are considering a meeting in early 1976 to discuss once again this matter.

I proposed a meeting for the beginning of December but the British Columbia government asked that it be held later.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that the National Council on Welfare does

not agree that the program is protecting the position of the poor and underprivileged, and in view of the fact that the government has found it possible without consulting the provinces to impose limits on wage increases, can it not also on a national basis raise the levels of incomes of those at the bottom?

Mr. Lalonde: Mr. Speaker, since the hon. member is wrong on the two premises, I cannot answer the last part of his question.

Mr. Knowles (Winnipeg North Centre): Have you read the statement?

[*Translation*]

POSSIBILITY OF REDUCING ELIGIBILITY AGE FOR OLD AGE PENSION TO 60—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

As a large number of young people are unemployed, which situation may be detrimental to their planning for the future, can the minister tell the House whether he might consider, as a factor towards solving that serious problem, the possibility of reducing to 60 the age of eligibility for the old age security pension for such persons as might wish to retire then?

Hon. Marc Lalonde (Minister of National Health and Welfare): The studies made of that subject, Mr. Speaker, seem to indicate that such a step would have little impact on the level of unemployment in Canada.

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to ask a supplementary question.

Can the minister inform the House if anyone prepared a survey of the number of persons in the 60-to-65 age bracket and an estimate of what it would cost to pay pensions to these persons, assuming such action were taken?

Mr. Lalonde: The hon. member's question is not very clear. If he wants to know whether we made a study on the cost of pensions paid to all persons aged 60 to 65 years, indeed we did and the figures are available. I already submitted them to the House several times.

* * *

● (1150)

[*English*]

NATIONAL DEFENCE

ACTION TO STRENGTHEN NATO FORCES AND IMPROVE EQUIPMENT—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. As Joseph Luns, secretary general to NATO forces, has added to the growing concern about our commitment to NATO by stating that Canadian equipment is inadequate, can the minister explain how the government intends to strengthen Canada's position in Europe without improving the quality of Canadian equipment? Further, will the minister elaborate on the position he intends to take at the NATO summit meeting in Brussels next month?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I believe that Secretary General Luns has completely underestimated the Canadian contribution to NATO. He is also very well aware that a major policy review is under way, and that many of the questions to which he addressed himself are being answered currently. I will be in Brussels in December presenting the results of this review, and those results will answer all of the points which he has raised, at what I would say is a very inappropriate time.

POSSIBLE REPLACEMENT OF VEHICLES AND EQUIPMENT—DATE OF DECISION

Mr. Dan McKenzie (Winnipeg South Centre): Has the defence review concerned with replacing vehicles and equipment been placed before cabinet, or has the minister been informed by cabinet that no further funds are available to bring Canada's armed forces up to standard? To what extent is the government going to allow our forces to deteriorate before action is taken?

Hon. James Richardson (Minister of National Defence): Those questions are before cabinet. There are major proposals for re-equipping the land force, purchasing long-range patrol aircraft and other equipment, and these decisions will be announced in the very near future.

* * *

CUSTOMS

RIVERPORT, NOVA SCOTIA—REQUEST FOR EARLY APPOINTMENT OF OFFICER

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of National Revenue, and I hope the Minister of State (Fisheries) is also listening because it concerns him as well.

In view of the fact that Riverport, Nova Scotia has been without the services of a resident customs officer since April of this year when the resident officer passed away, and since a fleet of over 20 deepsea fishing boats operate from this port, which require the clearing of bonded lube oil and other bonded stores, will the minister examine this problem and give consideration immediately to appointing a customs officer in this port in order adequately to service the deepsea fishing industry operating in this area?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I will certainly look into this matter. I thank the hon. member for bringing it to my attention, and I will discuss it with my officials as early as this afternoon.

FLOODS

SAINT JOHN, NEW BRUNSWICK—REQUEST FOR FEDERAL AID FOR VICTIMS

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, my question is to the Minister of the Environment, and if I am allowed, I have a supplementary for the Minister of National Defence. In view of the flood situation in the Glen Falls area of Saint John, New Brunswick, what can the minister tell me about available aid for the flood victims?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, if there is an emergency in that area, the province of New Brunswick may take the initiative to ask for help from the Department of National Defence, but it is up to that province to take such an initiative.

As to possible compensation for property damages, of course there is a program financed by the Department of the Environment ranging from 50 to 75 per cent of the costs, but there again the province must apply.

* * *

[*English*]

NATIONAL DEFENCE

ASSISTANCE OF ARMED FORCES IN COMBATING FLOOD CONDITIONS AT SAINT JOHN, NEW BRUNSWICK

Mr. Mike Landers (Saint John-Lancaster): My supplementary question is to the Minister of National Defence. Has the province of New Brunswick requested assistance from the Department of National Defence to combat the flood conditions in Saint John, New Brunswick?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker, I have not received any request for assistance from the government of New Brunswick, but the armed forces will be ready to assist if they are required.

Some hon. Members: Hear, hear!

* * *

FINANCE

REQUEST FOR ESTIMATE OF BUDGETARY DEFICIT FOR CURRENT YEAR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, could the Minister of Finance now answer the question I asked him a couple of days ago with regard to whether he would tell us the estimated size of the budgetary deficit for the current year? I am sure the minister has this information. I have enough respect for him to believe he has this information, and I hope that I will have further respect when he gives it.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the current estimates are that the budgetary deficit for the fiscal year will be as set out by my predecessor at the time of the June budget. As an addendum to my response to an earlier question on another subject, the response yesterday of $5 billion to $6 billion was related to the cash requirements of the government, that is, both budgetary and non-budgetary.

* * *

BROADCASTING

PORTRAYAL OF VIOLENCE ON TELEVISION—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Parliamentary Secretary to the Minister of Communications. I should like to commend him on the manner in which he has been handling questions in the House.

Some hon. Members: Hear, hear!

Mr. McGrath: I hope he will soon be the minister.

Some hon. Members: Hear, hear!

Mr. McGrath: In view of the statement made by the Solicitor General in a speech in Ottawa on Wednesday that his department had concluded a two year study and found a relationship between crimes of violence and violence on television, what response can we expect from the CRTC? Has there been consultation between the Solicitor General's Department, the CRTC and the Department of Communications on this very important and disturbing subject?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am sorry that I do not have full knowledge or an answer available for the hon. member at the moment, but I will obtain it. The hon. member certainly knows that I share with him a very real concern about this problem, as do hon. members on both sides of the House.

Some hon. Members: Hear, hear!

* * *

URBAN AFFAIRS

REQUEST CENTRAL MORTGAGE NOT BUY ASHBURN GOLF COURSE IN HALIFAX

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the Minister of State for Urban Affairs, whom none of us would wish to see become an urban vandal. Would he advise Central Mortgage and Housing Corporation that it should not try to solve its need for land by attempting to buy such green land in Halifax as the Ashburn Golf Course, one of the aspects which makes my city one of the best in Canada in which to live?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I agree with the hon. member that his city is one of the best in which to live. I do not know what the handicap is on the golf course—

Some hon. Members: Oh, oh!

Mr. Danson: —but I shall look into it.

* * *

HEALTH

ALLEGED HARMFUL EFFECT OF ARTIFICIAL COLOURING AND FLAVOURING—GOVERNMENT ACTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that information has been brought to his attention about a possible problem with artificial colouring and flavouring of food, I wonder whether he could inform the House what action he has taken in the past few weeks to initiate purely Canadian research into this subject within our own country.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wrote to the hon. member a few months ago about this matter. My department is studying all the literature on the subject, and particularly this problem, which is very complex and technically difficult. We are in regular contact with other countries, particularly the United States, where studies are in progress on the subject.

I must report to the hon. member that up to this stage there appears to be no scientific evidence on which we could act in support of the thesis he has been promoting.

* * *

FINANCE

EFFECT OF NATIONALIZATION OF POTASH INDUSTRY BY SASKATCHEWAN ON BORROWING POSITION OF CANADA—PAYMENT OF FEDERAL CORPORATION TAX BY PROVINCIAL CROWN COMPANY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In view of the intention of the government of Saskatchewan to nationalize the potash industry, and in view of the fact that this will cost anywhere from $1 billion to $3 billion, much of which must be raised outside Canada, has the minister made any assessment of what this will do to the borrowing position of Canada? Further, will a provincial Crown corporation exploiting potash not be required to pay federal corporate tax?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think it is clear that any substantial additional financing for any purpose in Canada, not generally contemplated at the beginning of the fiscal year, is going to have some impact on the ability of other Canadian governments and institutions to borrow abroad. I cannot advise the hon. member of the exact impact at this moment. He raises a very good point on the question of taxation of Crown corporations and that will have to be examined very closely in the context of the proposal.

● (1200)

WINTER CAPITAL PROJECTS—POSSIBILITY OF NEW PROGRAM

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Minister of Finance. Is the minister planning to introduce a scheme similar to the winter capital projects fund which ended in June of this year and which provided for a loan with a forgiveness feature?

Hon. Donald S. Macdonald (Minister of Finance): Not at this moment, Mr. Speaker.

Mr. Sharp: Mr. Speaker, there has been some discussion amongst House leaders in relation to a bill which appears on the notice paper in the name of the Minister of Manpower and Immigration (Mr. Andras), entitled "An act to increase the rate of return on government annuity contracts to increase their flexibility and discontinue future sales thereof". I believe there is a willingness on the part of House leaders and, I hope, of the House that the ordinary notice could be shortened in this particular respect so that the bill could be read for the first time today. I would ask whether that suggestion might be acceptable.

Mr. Baldwin: Mr. Speaker, when approached in the right spirit, we can be very co-operative.

Mr. Knowles (Winnipeg North Centre): That goes for all of us.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT ANNUITIES IMPROVEMENT ACT

MEASURE TO INCREASE RATE OF RETURN ON GOVERNMENT ANNUITY CONTRACTS

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved for leave to introduce Bill C-75, to increase the rate of return on government annuity contracts to increase their flexibility and discontinue future sales thereof.

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

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,101, 3,134, 3,137, 3,147, 3,170, 3,204, 3,205, 3,207, 3,211, 3,243, 3,247 and 3,279.

[*Text*]

SUPPLY AND SERVICES—LABORATORY FURNITURE AND EQUIPMENT

Question No. 3,101—**Mr. Fleming:**

1. Have any government contracts been awarded by the Department of Supply and Services for laboratory furniture and equipment since the beginning of 1972 and, if so, how many?

2. How many called for the installation of equipment and furniture?

3. What were the names of the successful companies?

4. How many contracts was each successful in winning?

5. What was the total amount of money paid to each?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes, 207.

2. Twenty-four.

3, 4 and 5:

Company	No. of Contracts Awarded	Estimated Costs of Contracts
Art Laboratory Furniture	16	$ 66,014.85
Bausch & Lomb (Canada)	1	5,215.00
B & F Enterprises Inc.	1	2,822.40
Caltec Scientific Ltd.	1	935.00
Canadian Cabinets Co. Ltd.	1	8,737.12
Canadian Laboratory Supplies Ltd.	88	762,145.90
Central Scientific Co. of Canada Ltd.	10	12,885.77
Colonial Agencies	2	2,865.16
Display Fixtures Co.	1	428.47
Felix Woodworking Co.	2	1,920.00
Fisher Scientific Co. Ltd.	51	79,446.97
H. H. Hawkins Co.	1	4,209.00
Hoch Supplies Inc.	1	449.30
Hoplab Inc.	1	9,725.00
Horwood Lumber Co. Ltd.	1	$39,061.39
Ingram & Bell Ltd.	2	6,669.50
O. H. Johns Scientific	1	4,366.50
Johns Colonial Scientific Ltd.	1	6,386.19
Leematt Traders	2	14,480.00
J. E. McCutcheon Ltd.	1	3,089.80
Nuway Kitchen Fixtures	1	20,000.00
Sargent-Welch Scientific of Canada Ltd.	6	3,919.90
Sisco Scientific Ltd.	12	24,739.68
Technicon International of Canada	2	906.70
Van Waters & Rogers	1	132.50

The above listed contracts cover the supply and/or construction of laboratory furniture, and/or equipment installed thereon. Instruments and miscellaneous laboratory supplies such as glassware, are not included.

ADMINISTRATIVE TRAINEES HIRED BY PSC, 1970 TO 1974

Question No. 3,134—**Mr. Clark (Rocky Mountain):**

How many administrative trainees were hired (a) in total (b) by university, by the Public Service Commission in each year 1970 to 1974 and how many of each were designated bilingual at the time of hiring?

Order Paper Questions

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Public Service Commission as follows: The attached table No. 1 lists the number of administrative trainees recruited directly from universities by year by university. Table No. 2 lists the number of administrative trainees by year according to first language of choice as indicated by the candidate. The bilingual capability of candidates at time of appointment is not known.

Table 1

Number of AT's recruited from 1970-74 by University

University	1970	1971	1972	1973	1974
Newfoundland					
Memorial University of Newfoundland		1		1	1
Nova Scotia					
Acadia University			1	4	2
Dalhousie University	2	1	3	5	7
St. Francis Xavier University				2	3
St. Mary's University					1
New Brunswick					
Mount Allison University	2	1	3	2	1
University of Moncton		1		1	6
University of New Brunswick	3	4	1	2	2
Quebec					
Bishop's University	1	1	1		
H.E.C.		3	9	11	2
Laval University	23	27	17	18	16
Loyola (Concordia University)	1	1			1
McGill University	1	3	1	15	10
Sir George Williams (Concordia University)		4		3	2
University of Montreal	8	24	7	18	10
University of Quebec		10	10	18	15
University of Sherbrooke	2	4	3	7	10
Ontario					
Brook University			2	2	2
Carleton University	15	17	15	21	17
Hopkins		1			
Lakehead University	1	1		3	
Laurentian University				1	1
McMaster University	2	4	7	6	7
Queen's University	1	5	3	10	8
R.M.C.				1	1
Trent University			1	2	3
University of Guelph		1	2	1	2
University of Ottawa	9	10		5	12
University of Toronto	8	12	10	18	15
University of Waterloo	4	4	6	3	4
University of Western Ontario	2	6	8	8	8
University of Windsor	2	2	2	1	2
Waterloo Lutheran (Wilfrid Laurier University)		2			
York University	2	12	3	8	5

Order Paper Questions

Manitoba					
Brandon University	2		1	2	1
University of Manitoba	8	7	11	7	12
University of Winnipeg		4	1	5	1
Saskatchewan					
University of Regina					2
University of Saskatchewan	3	3	6	3	5
Alberta					
University of Alberta	2	3	4	3	7
University of Calgary	1	3	2	6	4
University of Lethbridge		1			1
British Columbia					
Simon Fraser University	1	3	3	2	1
University of British Columbia	5	5	7	14	6
University of Victoria	1	8	2	5	3
Others (Canadian Students)					
Auckland					1
Chicago					1
King's College				1	
London, England				1	
Oregon				1	
Oxford					1
Poland					1
St. Thomas				1	
Utah	1				
West Indies, Jamaica		1			
TOTAL	113	200	152	248	223*

*The number of AT's for 1974 is shown as 223. The Annual Report for 1974 shows 291 AT's, which includes 68 AT's hired internally.

Table 2

Number of AT's by Year by Language

	French	English	Total
1970	37	76	113
1971	80	120	200
1972	48	104	152
1973	81	167	248
1974	81	142	223

FBDB LOAN TO MOUNT BEECHER SKI SOCIETY

Question No. 3,137—**Mr. Brisco:**

1. Did the Industrial Development Bank provide a loan for the Mount Beecher Ski Society on Vancouver Island and, if so, under what terms?

2. Was this loan made to a limited company fronting for or representing the Mount Beecher Ski Society?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): It is the policy of the Federal Business Development Bank as it was the policy of its predecessor, the Industrial Development Bank, to not make public the identity of individual customers and applicants.

TREE NURSERY AT INDIAN HEAD, SASKATCHEWAN

Question No. 3,147—**Mr. Hnatyshyn:**

1. With regard to the tree nursery at Indian Head, Saskatchewan, did the government make a contribution to this operation and, if so, in what amount for (a) 1972 (b) 1973 (c) 1974 (d) first 6 months of 1975?

2. What was the income from this operation for the same years and what was the source?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Contributions of the federal government toward operational costs (Operations and Maintenance plus Capital) of the Indian Head Tree Nursery are as follows:

Fiscal Year	Cost
1971-72	$802,100
1972-73	685,100
1973-74	750,600
1974-75	837,000
1975-76 (6 months)	484,300

2. There is no income from this operation. The federal government funds the total operation of the Indian Head Tree Nursery. Recipients of the trees pay only the shipping costs for distribution. This operation is the responsibility of the Department of Regional Economic Expansion.

DETAILS OF BUDGETARY REDUCTION MENTIONED IN PRESIDENT OF TREASURY BOARD SPEECH IN HOUSE

Question No. 3,170—**Mr. Reynolds:**

1. With reference to the President of the Treasury Board's speech in the House on July 2, 1975, what are the details of the budgetary reduction of (a) $13 million for the Department of the Environment (b) $5 million for the Ministry of State for Urban Affairs (c) $18 million for Central Mortgage and Housing Corporation (d) $4 million for the Department of the Solicitor General (e) $4 million for the Royal Canadian Mounted Police (f) $6 million for the National Harbours Board?

2. Will the Minister advise what are the miscellaneous items totalling $41 million as stated in his speech of July 2, 1975?

Hon. Jean Chrétien (President of the Treasury Board): Ministers were given discretion to choose alternatives as long as they maintained the same total. The items are now expected to be as follows: 1 (a) $13 million for the Department of Environment: Salmon enhancement program, $4.0 million; Additional resources for fleet operations, $3.4 million; Ocean policy implementation, $2.0 million; Public service staffing delegation, $1.1 million; Flood mapping, $1.0 million; Development of pollution abatement technology, 1.0 million; Acquaculture—fish farming, .5 million. (b) $5 million for the Ministry of State for Urban Affairs: Urban demonstration projects, $4.0 million; Reduction in operating expenditures, $1.0 million. (c) $18 million for Central Mortgage and Housing Corporation: Neighbourhood improvement and residential rehabilitation program,

$6 million; Housing research and community planning, $2 million; Granville Island, $2 million; Corporation Capital projects, $8 million. (d) $4 million for the Department of the Solicitor General: Staffing for two medium security institutions, $4 million. (e) $4 million for the Royal Canadian Mounted Police: VIP protections, $4 million. (f) $6 million for the National Harbours Board: General reduction in cash requirements, $6 million.

2. $41 million of miscellaneous items: Multipurpose exhibition facilities, $2 million; Canadian Dairy Commission, increase in skim milk powder levy, $14 million; Fishing vessel subsidies, $1 million; Increased investment in Panarctic, $12 million; Tourism advertising, $1 million; Grants and contributions, Justice, $1 million; Community Employment Strategy, $3 million; Institute for research in public policy, $1 million; Accommodation lease costs, $3 million; Film productions, $1 million; Interior design and furniture, Supply and Services, $2 million.

DREE—GUARANTEED LOANS FOR PRINCE EDWARD ISLAND

Question No. 3,204—**Mr. Howie:**

How many firms in Prince Edward Island had loans guaranteed by DREE from April 1, 1973 to September 30, 1975 (a) what was the total amount of the guarantees (b) how many of the firms are not currently operating (c) what was the total amount of guarantees to the firms not currently operating?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: None. (a) Not applicable. (b) Not applicable. (c) Not applicable.

DREE—GUARANTEED LOANS FOR NEW BRUNSWICK

Question No. 3,205—**Mr. Howie:**

How many firms in New Brunswick had loans guaranteed by DREE from April 1, 1973 to September 30, 1975 (a) what was the total amount of the guarantees (b) how many of the firms are not currently operating (c) what was the total amount of guarantees to the firms not currently operating?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: Two. (a) $2,961,000. (b) One. (c) $2,700,000.

DREE—GUARANTEED LOANS TO NOVA SCOTIA

Question No. 3,207—**Mr. Howie:**

How many firms in Nova Scotia had loans guaranteed by DREE from April 1, 1973 to September 30, 1975 (a) what was the total amount of the guarantees (b) how many of the firms are not currently operating (c) what was the total amount of guarantees to the firms not currently operating?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: None. (a) Not applicable. (b) Not applicable. (c) Not applicable.

Order Paper Questions

INCOME TAX RETURNS

Question No. 3,211—**Mr. Howie:**

1. How many persons filed income tax returns for each taxation year (a) 1968 (b) 1970 (c) 1972 (d) 1974 in (i) New Brunswick (ii) Nova Scotia (iii) Prince Edward Island (iv) Newfoundland (v) Quebec?

2. What was the average *per capita* taxable income in (a) New Brunswick (b) Nova Scotia (c) Prince Edward Island (d) Newfoundland (e) Quebec, each year (i) 1968 (ii) 1970 (iii) 1972 (iv) 1974?

Hon. Jack Cullen (Minister of National Revenue): The answer to both parts of this question may be found in the annual publication "Taxation Statistics". The total number of returns filed for the five requested provinces for 1968, 1970 and 1972 is contained in table 5 of each of the editions 1970, 1972 and 1974 respectively of this publication. The average per capita taxable income of these provinces for the required years may also be determined from table 5 of those three editions. The statistics may be calculated by dividing the total taxable income reported on all returns by the total number of all returns. Since 1974 data is not tabulated until all returns are filed, the information requested pertaining to 1974 is not available at the present time.

FIRE EXTINGUISHING FOAM

Question No. 3,243—**Mr. Reynolds:**

1. What are the peculiar characteristics of the liquid concentrate fire extinguishing foam that is purchased from Laurentian Concentrates Limited, Ottawa, Ontario, that make its costs justified?

2. Are there facsimilies available?

3. Has there been any effort to interest other companies to tender on this "qualified product" and, if not, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The liquid concentrate fire extinguishing foam purchased from Laurentian Concentrates is a concentrated homogeneous colloidal suspension of hydralyzed protein foam stabilizers and metallic salts with sufficient preservations to prevent decomposition of the foam while in storage. The liquid produces a heavy blanket of foam which lasts for several minutes (over 15) to permit safe rescue operations. The item has been classed as a "strategic" product and is manufactured in accordance with Specification CGSB28-GP-28.

2. Facsimilies are not available from any other Canadian manufacturer and in view of the "strategic" classification assigned, "off shore" supply is not considered.

3. The committee responsible for the preparation of the governing Specification CGSB28-GP-28 involved participants from the associated industry including, in addition to Laurentian Concentrates, representatives from Penwalt Chemicals of Canada, Ansul International of Canada, Fyr-Fyter Company of Canada, Levitt-Safety Limited, Pyrene Manufacturing Company and 3M Company. These firms have always had an awareness of the continuing requirement for the foam in question and of our objective to have additional manufacturing resources established in Canada. However, we have yet to have any firm submit samples for "qualification testing" or to explore the feasibility of setting up an operation for the production of this type of fire extinguishant.

Order Paper Questions

SUPPLY AND SERVICES—DISTRIBUTION OF BRIEF CASES AND PORTFOLIOS

Question No. 3,247—**Mr. Reynolds:**

1. Do the Department of Supply and Services Regional Supply Centres stock and distribute brief cases and portfolios that in turn are supplied to departments?

2. Are the brief cases supplied free of charge to employees and, if so, what is the annual cost to the government?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Distribution is made against customer department's requisition and at an established price per unit. It is the general practice for departments in turn to make these brief cases and portfolios available to their employees requiring them on an accountable loan basis, or for use as and when required by the nature of their duties. The annual cost of reprovisioning brief cases and portfolios is approximately $150,000.

INDUSTRY, TRADE AND COMMERCE—RENOVATION AND REFURBISHING OF OFFICES

Question No. 3,279—**Mr. Coates:**

Has the Department of Industry, Trade and Commerce recently selected a person whose main responsibility will be the renovation and refurbishing of offices within the Department and, if so, what is the (a) name (b) classification (c) annual salary of the person?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Industry, Trade and Commerce is concerned: 1. Yes, main responsibilities are: (i) To advise on the planning and layout of offices and work areas in various branches of the department commensurate with maximum operating efficiency. (ii) To sketch, prepare plans and present colour schematics. (iii) To research and select furniture and furnishings available and prepare cost summaries for office accommodation. (a) Miss Louise McLaren. (b) Equivalent to GT 2. (c) Six month contract at the rate of $1,000 per month.

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Do the remaining questions stand?

Some hon. Members: Agreed.

[*English*]

Mr. Crouse: I rise on a point of order, Mr. Speaker. Again I must bring to the attention of the House the fact that on June 20 I placed question No. 2,833 on the order paper, asking what consultants had been hired in the fisheries and marine service of the Department of the Environment in the last two years, their names, salaries, duties, length of employment, and whether public tenders were called before they were hired. It does not seem an impossible question to answer, and I wonder why the government has taken this long to secure an answer.

[Mr. Goyer.]

Mr. Blais: Mr. Speaker, I can indicate to the hon. member that his question is being revised and the answer will be forthcoming in a short time.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT FAILURE TO COMBAT INFLATION

On the order: Business of Supply—First votable motion for the supply period ending December 10, 1975.

November 13, 1975—That this House rejects the government's anti-inflationary program because it is totally unworkable in terms of controlling prices, because it provides no effective control over profits or professional incomes, and because it is completely unfair to wage and salary earners in Canada—Mr. Broadbent.

Mr. Speaker: Before putting the motion, I note that at least to this point no point of order has been raised about it. The use of the allotted day, as we know it now, is of quite recent duration. To my knowledge, it is not, therefore, the subject of any precedents concerning the motion put forward on an allotted day in so far as it may conflict with the usual business of the House or relate to it. There are precedents, of course, that no motion ought to be put before the House which anticipates other business before the House; as well, that the House ought not to pronounce itself on any question upon which it has already pronounced itself.

There was obvious reference to this program in Bill C-73 which has just received second reading and is before the standing committee. That would raise some question, I am sure, as to whether or not, in voting on second reading of that bill, the House has already pronounced itself on the question. There is, of course, the counter-argument that this motion is of broader scope than that particular bill. That may be so. In addition, there is the reverse of that proposition, that when the House pronounces itself on this motion at the end of today, or at 9.45 p.m. Monday evening when the vote takes place, the question may then come up as to whether or not the House, having pronounced itself in that fashion, is precluded from taking any other kind of vote in respect of Bill C-73. That becomes an even more interesting question if one reflects that this motion is broader in scope than the bill.

The fact is that the opposition prerogative, as I think all hon. members would agree, is very broad in the use of the allotted day and ought not to be interfered with. It certainly is not the disposition of the Chair to interfere with it except on the clearest and most certain procedural grounds. I feel it only fair to indicate that the closeness and similarity of the subject matter of this motion and the bill require a caveat from the Chair that under no circumstances could the consideration of this motion or the vote upon this motion at 9.45 p.m. Monday evening be taken in any way to prejudice the progress of Bill C-73.

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That this House rejects the government's anti-inflationary program because it is totally unworkable in terms of controlling prices, because it provides no effective control over profits or professional incomes, and because it is completely unfair to wage and salary earners in Canada.

He said: Mr. Speaker, I want to thank you for your highly impartial and, if I do not sound presumptuous, reasonable ruling on the legitimacy of the motion. At the outset I want to say, on behalf of the New Democratic Party, that the problem of inflation is unquestionably the major concern of the vast majority of Canadians at this time. It is the scourge of virtually every Canadian family. The majority of wage and salary earners who are not in the trade union movement are negatively affected by it. Those men, women and young people who are in the trade union movement are affected by it. Pensioners and all those who are dependent on savings are affected by the current, unacceptable high level of inflation.

Above all, the 20 per cent of our population who find themselves among the poor, whether they are trade unionists or not, pensioners or not, are seriously affected by inflation. It is, I repeat, a scourge affecting our whole population. This causes people to move from adequate, but not luxurious, accommodation into poor and substandard accommodation. It causes those who are already living on poor diets to switch to diets that are, quite literally, dangerous to their health. It causes families to give up plans for the most modest of vacations. It will cause, in the coming winter months, countless ordinary working families to abandon any hope of equipping their youngsters to play on minor hockey teams. It hits as directly and as movingly as that. It is something for which the present government is responsible at least in the sense of not taking steps in recent months to reduce it substantially if not eliminate it entirely.

● (1210)

The effects of inflation are not vague; they are specific. They affect countries differently. In 1975 the rate of inflation is different in different countries. Some industrial countries, which I will not take time to list, have coped with inflation much better than this country has under this government. In our view, it is crucial to understand where inflation is affecting us, as the wrong diagnosis of our problems may result in the wrong prescription being administered for their cure. We must consider the over-all effects of inflation. Understanding the typical family's spending pattern is also crucial, because it does not matter one whit if Cadillacs, for example, cost 300 per cent, 400 per cent or 500 per cent more if the average family is not in the market for a Cadillac.

If we consider where price increases are taking place and look carefully at the typical family's spending pattern, we must conclude, as the NDP has, that the principal areas of concern of Canadians are food, shelter and energy costs which account for about 65 per cent of the typical family's spending. The evidence shows that prices in recent years have risen disproportionately for food, shelter and energy. If we are to cure inflation as it affects Canadians we must concentrate on bringing prices down in these specific areas. That, precisely, is what the government failed to do before Thanksgiving, and it is precisely what its program announced that day will fail to provide for Canadians in the future. Nothing in the government's anti-inflation program, nothing in the most recent budget and budget bills will ease the burden or bring down one whit the cost of living in the areas I have mentioned. On the contrary, the increased excise tax on oil has meant a higher price for oil, whether in the form of gasoline for our cars, energy for heating our homes, or oil for our factories.

The failure to control interest rates and increase the supply of housing has led to increased rents and higher priced housing for Canadians. The failure to give the Food Prices Review Board authority to order the rollback of unjustified price increases has contributed to the increase in food prices. The failure to give the Anti-Inflation Board proper authority to order rollbacks on the spot of unjustified price increases will contribute to increased food prices in future. Surely these are the crucial questions, the decisive questions. The government knows where inflation has occurred and where it ought to act, but it has failed totally to take appropriate action for dealing with inflation.

I suggest the government has failed because decisive action in the areas I have mentioned would bring it into direct confrontation with three sectors of our economy dominated by a handful of corporate giants. In order to deal with energy prices, the Liberal government would have had to confront the multinational oil companies. In order to allocate investment to housing and bring down mortgage rates, the Liberals would have needed to confront the banks and trust companies. In order to regulate food prices in Canada, the Liberals would have been forced to confront the few food chains which control the grocery business in 75 per cent of the markets in Canada.

Of course, the Liberals do not confront corporations. On the contrary, they set up royal commissions whose purpose is to give corporations a thorough application of whitewash. The most recent royal commission appointed by the Liberal government, after concern expressed by this party last spring, is a prime example. That royal commission will not look into one substantial question or problem arising from corporate power or the concentration of such power in Canada. The answers given to the submission our party presented at the recent hearing in Ottawa made that abundantly clear. The government has not acted decisively in specific areas where inflation is of concern to Canadians because decisive action would have required it to confront key corporations in key sectors, and the Liberal party never does that.

What is our approach to this question? I notice the Leader of the Opposition (Mr. Stanfield) listening to what I am saying. I hope I can influence him to support our motion. I was interested to hear him speak on the government's anti-inflation bill. His party supported the bill. Yet after hearing Conservative spokesmen address the nation on the television program "The Nation's Business", I am under the impression they are preparing the ground for opposition to the government's anti-inflation program at third reading. Some parties have tried to face both ways in the past. I hope this will not be the case with the Conservative party. I have the highest respect for its leader and hope that in today's debate his party will make known its solid opposition to the sham program the government has put forward.

What, specifically, does the NDP recommend in the three areas mentioned? First, let us consider housing. We said as far back as the 1968 election campaign that a housing crisis was upon us in Canada and would continue. We said that the post-war baby boom is now exerting pressure on the housing market, and the increasing organization of Canada is creating more demand for houses. The government has known this for years. It knew there would be increased pressure on housing but failed to take corrective action even in 1968. It failed again last week when the Minister of State for Urban Affairs (Mr. Danson) announced his program which will do little more than tinker with existing legislation.

The government ought to introduce a comprehensive program which would include among its provisions rent controls. We need rent controls because the government in the past has failed to increase the supply of housing. That is the first step. Fortunately, rent controls are to be embodied in the legislation the government recently brought forward. We hope the provinces will follow the lead of British Columbia and establish good rent control legislation across Canada.

We concede that rent controls are a short-term solution, because unless housing supplies are significantly increased during the next few months the lifting of rent controls will result in a great mushrooming upward of rents. We say that it is absolutely essential to increase the supply of housing and we need many more than the paltry 20,000 units for which the government provided in last week's announcement. In our view, such a program can only be carried out if the Bank Act is changed to make it mandatory for banks to invest a certain percentage of their annual investment in low-cost housing. That must be done because the banks will not do it voluntarily.

● (1220)

Second, we must bring down interest rates. Mortgage interest rates must be separated from other interest rates. Again, the only way that can be done is for the government, through the Bank Act, to make changes, making it mandatory that banks and other financial institutions bring down mortgage rates to a substantially lower level. To rely on both of these points, either in terms of investment in housing or dealing with interest rates by voluntary co-operation of the banks, as the minister responsible for housing is doing, is to delude himself and the public. That has to stop. We need decisive action.

Third, we need action to deal with land speculation. Today, in the question period, I brought to the attention of the House a report done by Mr. Lorrimer of the city of Toronto which indicated that upward of 24 per cent of the price of a housing unit in the city of Toronto is due to profits in land speculation. Decisive action by the national government to deal with the question of land speculation is long overdue.

There are some basic steps that should be taken to bring down the cost of living, whether it is in the purchase of a condominium, co-operative housing, single family unit, town house or rental. If we do not take these steps, the rent control aspect, which is the only thing of short-run significance that the government has announced, will have no effect in the long run. The housing crisis which began at least as far back as 1968 will be with us until 1988.

On the question of energy, hon. members will recall that during the minority government, the NDP opposed the idea that we should move toward world prices for oil in this country. We opposed that idea then, and we oppose it now. The Liberal government was in favour of it then. We held them back somewhat in the days of the minority government. They now have a majority. They now have a public commitment to move toward world oil prices. We think it is both absurd and unfair to charge Canadians world prices for our own natural resources.

In terms of that resource sector, we believe it should be taken out of private control, private ownership, foreign control and foreign ownership and made a public enterprise. It is time to move in a decisive way in the resource sector with public capital so that we can make sure these resources are used for the benefit of the people of Canada, not to maximize the profits of multinational oil corporations.

This is not simply an ideological or philosophical commitment, although that is there as well. We say that the result of this would be concrete and immediate price benefits for Canadians. We could control the prices. We could hold the price of oil down for the average Canadian to drive his or her automobile. We could hold it down for the average family which has to pay energy costs for heating the home. We could hold it down for Canadian industry. This would put industry, and not only in central Canada, on a more competitive basis with industry elsewhere in the world. There is no reason why we should not be using our natural resources to put Canadian industry on a much more competitive basis. It is our view that the only way we can integrate all these social objectives, and particularly in this context the objective of reducing the cost to consumers, is to get effective public control of this sector of our economy.

The third basic concern of Canadian families is the matter of food. What do we recommend there? We say that the price gouging which exists in the food industry has got to be stopped. The hon. member for Nickel Belt (Mr. Rodriguez) gave some examples recently of what seems on the surface to be blatant price gouging or unjustified price increases in the Nickel Belt area. I am sure that similar patterns of price behaviour could have been picked up in every community from St. John's in the east to Vancouver in the west.

Mr. Leggatt: No, not in Vancouver.

Mr. Broadbent: The hon. member correctly implies that because of the price freeze in Vancouver, that would not occur. We will exempt that part of the country. I will refer to some of the items and ask hon. members to think of their significance. Over a six-day period from October 27 to November 3 the price of a ten-ounce jar of Nescafé increased from $2.53 to $2.89, a 15 per cent increase. A tin of Habitant pea soup increased from 71 cents to 91 cents, a 30 per cent increase in less than a week. A box of baby Pablum increased from 56 cents to 63 cents, a 12 per cent increase. A tin of sockeye salmon increased from 33 cents to 37 cents, an increase of 12 per cent in less than a week. I

could list another 12 to 15 items but I shall not take the time of the House to do that.

An hon. Member: Hear, hear!

Mr. Broadbent: I know that Liberals do not like facts. Nothing disturbs a Liberal more than a fact. I do not want to upset that Liberal in the back row, so I will not give any more facts. The point is that the five items I have just listed were selected from a list that is much longer, all of which had price increases in the same percentage range, anywhere from 10 per cent to 30 per cent over the period of one week. What I and my party say is that we need a Prices Review Board with authority to investigate price increases of this kind and to order immediate rollbacks. Certainly, for the items I have listed there can be no justification for that kind of price increase.

Second, in the area of food the NDP had a central message in the recent Ontario election campaign as well as in Premier Barrett's campaign in British Columbia. It is that we stop prime agricultural land in Canada from going out of agricultural production and being used for other purposes. If you take prime agricultural land out of production, the inevitable consequence will be increased food costs. Third, we advocate an extension of the marketing board principle to other aspects of agricultural production than those currently covered. There have been some short-run problems with marketing boards; no one will deny that. However, in the long run orderly marketing is the best principle for farmers; it guarantees them reasonable prices over a period of time. This benefits the consumer in urban Canada as well. Those are specific suggestions with regard to food costs, none of which in detail or in principle has been implemented by this government. It could have been done in the past. It should be done now.

Quite apart from these specific proposals regarding food, housing and energy which we believe would be effective, if implemented now, in bringing down the cost of living very significantly in the months ahead, the government should recognize that in a good part of the Canadian economy there is no competition. Not only in the Canadian economy but in the American economy and that of western Europe it has been recognized for some time that the history of capitalist economic development has led to many sectors of each nation's economy being dominated by a handful of firms which do not compete. No serious economist would question that judgment today. What has the government done? In typical Liberal fashion, it has taken what I think is a good NDP idea, one which has been advocated for years—which is that in key sectors of the economy where there is no competition, there should be a price freeze and that any subsequent price increase would have to be justified by the corporations concerned—and turned it on its head.

● (1230)

The proposal which this party put forward would recognize economic reality. But that kind of thing is precisely what the Liberals have failed to do. They have taken what is basically a good idea, if I may say so without immodesty, and turned it upside down. The Minister of Finance (Mr. Macdonald) has selected the 1,500 corporations, but instead of requiring them to justify future price increases he has said to them; "You can continue to increase your prices and we shall place the onus of responsibility for investigating those increases on the public." In other words, the government proposes to set up elaborate and detailed, costly machinery for investigating price increases after those increases have taken place.

If the government had come forward with a selective freeze in non-competitive areas and required the corporations to justify any increases, it would have been a lot more simple and a lot more effective in dealing with inflation.

Some hon. Members: Hear, hear!

Mr. Broadbent: As a final item in our approach to inflation, we would have been much more ruthless in that we would have acted with much more toughness in reviewing the work of government departments and cutting out specific programs. When the white paper was brought down there was an indication that the government was expecting all departments to cut back. We reject such an approach. As a party, we say there are some programs which should not be cut. On the other hand, there are some programs which are no good and should be totally eliminated. I shall not repeat the speech I made in the House just over a week ago in which I outlined, on behalf of this party, specific programs which we felt should be cut out entirely. It is time the government took a determined approach to some of its programs and cut out those which ought to be dispensed with. On the other hand, the nature of a number of programs is such that spending on them should be increased rather than decreased.

So much for our program. Very briefly, we reject the government's proposals, first because they do not deal directly and positively with reducing the cost of living in the areas of energy, housing and food, second because of the over-all approach to inflation is unfair and unworkable. The wage and salary control mechanism advocated by the government will no doubt be effecti ve in holding down wage and salary increases to the guidelines levels. It will not be effective, and the government knows it, in ensuring that the 65 per cent of Canadians who are not in the trade union movement will get even the raises to which they are entitled in the government's view. The poor worker, the non-unionized worker has absolutely no hope of getting even the minimum the government says he is entitled to.

Then, again, in terms of professional incomes the government's proposal is a hoax. If the minister wants to control professional incomes, the only way to do it is to apply a 100 per cent surtax, as he must know from experience. That is the only way in which he could build equity into the system, yet it is precisely this step the government has refused to take. On the prices side, I will simply repeat the point which I and members of my party have made in the past. The indirect method of control advocated by the government will not work; it is too complex, and chartered accountants acquired by the corporations can do a lot of shifty work even in a legal context to make it difficult to isolate profits. As if this did not provide a sufficiently large avenue of escape for corporations, the government took pains to list in the white paper a number of loopholes the use of which would exempt corporations from the guidelines entirely. For example, any corporation which

shows unusual productivity gains is exempt; any corporation which enjoys what it considers to be a favourable cost development, one which it did not anticipate, is exempt from the guidelines; any corporation which reinvests its profits in capital expansion is exempt.

Mr. Macdonald (Rosedale): That is not the case.

Mr. Broadbent: I should have said "for export purposes"—any corporation which devotes profits from capital investment for export purposes.

Mr. Macdonald (Rosedale): No, sir.

Mr. Broadbent: Well, the hon. gentleman may take up that point when he speaks. That is what another minister said.

The Acting Speaker (Mrs. Morin): Order. The hon. member's time has expired.

Mr. Broadbent: I wonder if I might have permission to continue for a few more minutes.

The Acting Speaker (Mrs. Morin): That can only be done by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Broadbent: Thank you, Madam Speaker. I shall try not to abuse the courtesy of my colleagues. In short, we believe the price control mechanism selected by the government will not be effective in any way in terms of holding down prices. Thus, what we have in the government's package is a program which will be effective in holding down increases received by average wage earners. It will not be effective in controlling professional incomes, and it does nothing at all in terms of controlling price increases. In short, it is an unfair and unworkable program and it is one which completely ignores the positive approach to reducing the cost of housing, the cost of food and the cost of energy. We think the analysis is wrong and that the detail is wrong. It will not deal with inflation, and it is a program which the New Democratic Party cannot support in any circumstances.

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, I have only 20 minutes allotted to me under the rules so I shall have to speak even faster than usual.

An hon. Member: At least you have a sense of humour.

Mr. Stanfield: There are clearly many difficulties attached to the government's so-called anti-inflation program as presented so far to the House and to the country. It is undoubtedly weak on the side of the control of prices. The program as announced thus far has clearly carried very little conviction among the general public, and there is little confidence among the public so far that prices will be effectively controlled. There is also enormous confusion about many aspects of the program. That is not surprising, I suppose, because the government stumbled into the program a week or so after the head of the government declared that he would not touch anything like this with a ten-foot pole.

[Mr. Broadbent.]

● (1240)

I want to be fair to the Minister of Finance (Mr. Macdonald) and recognize that in terms of the confusion which exists, he has had very little time in office as the responsible minister to engage in the kind of consultations with provincial governments and representatives of the various sectors of the economy that I am sure he would have liked had he had time before the Prime Minister (Mr. Trudeau) announced that the program was in effect. I want to recognize his new, statesmanlike attitude and take a very statesmanlike attitude toward him this morning.

Obviously, the government was ill-prepared. As I say, there was no effective consultation with representatives of industry or labour about the program. We see the confusion regarding the provincial picture. Even now, several weeks after the program was announced, the minister does not know, for example, whether the province of Quebec will be following, within its own public sector where it has retained jurisdiction, the same guidelines as the federal government. It does not take very much imagination to recognize that if, for example, school teachers and public officials in Quebec proceed on different guidelines from those in place for the rest of the country, this will not exactly create contentment across our nation. Obviously, this is a matter that should be cleared up before the House is asked to take further decisions regarding the program.

The triumvirate that is supposed to administer the Anti-Inflation Board comprises Mr. Pepin, Mrs. Plumptre, and the other choice has not yet been made. I understand from what I hear, even with the mail shutdown, that it is virtually impossible for people seeking answers to questions to get those answers because of the confusion that has been created. On examining the complex apparatus that has been erected, this board and its administrators, I can only conclude that even Rube Goldberg at his best could not have designed a structure or a system as complicated and unwieldy as this. I am under the impression that the government is something like a thief who steals a box containing all the parts of a very complicated piece of machinery but is unable to put the pieces together to make the machine work.

With regard to control of professional incomes, I say to the minister—he must recognize this for himself—that the control mechanism he has announced to date is not convincing to the general public. As to salaried personnel, workers organized and unorganized, the disparities and inequities clearly are enormous. In any program of controls on income there are bound to be some inequities, but these inequities will be enormous in view of the rate of inflation, the different situations in which various groups in the country find themselves as a result of the rapid rate of inflation that we have had in the past year and a half.

Any program controlling incomes or inflation will of necessity involve very rough justice. The justice is bound to be very rough in a situation where the government has allowed everything to run wild for a long time and then attempts to introduce some order. I understand in my home city of Halifax last night the Prime Minister said people recognized that the economy was out of control. The Prime Minister seemed to say this with approval. However, we must ensure that justice is as even-handed as we can possibly make it. In saying that, we have to recognize that

justice without controls has been very, very rough for a great many people in this period of rapid inflation that has been continuing.

Secondly, we have to recognize that a program of controls to bring some order to the present situation and to reduce the inequities that exist today will involve some injustice which will have to be accepted if the rate of inflation is to be brought under control. The fact that there is inevitably a good deal of rough justice involved for the Canadian people, particularly for the working people of this country—especially in a period of rapid inflation such as we have had—is one very important reason why the period of controls should not be too long. It is one thing to ask Canadians to accept controls for a year and a half; it is a very different thing to ask Canadians to accept a program of controls designed to last for 3¼ years, or perhaps a good deal longer since they can be extended on the basis of a three-day debate in this House, which of course amounts to nothing in the way of safeguards with a majority government.

Further, it is one thing to use controls on prices and incomes for, say, a period of a year and a half to try to restore order in the economy, to break the inflationary psychology, and to give time to put in place other more flexible tools to fight inflation on a longer term. But it is a very different thing to resort to controls on prices and incomes for virtually an open-ended period of time with a view to gradually bringing down the rate of inflation.

I say to you, Madam Speaker, very solemnly that there is no reason to believe that the concept of relatively long-term controls will work. There is every reason to believe, based on experience in our own country and elsewhere, that they will not work, that after a year and a half or so the controls will become more and more artificial and more and more out of touch with the underlying economic reality in the country. In addition, there is every reason to believe that controls in place for years—which is what the government is proposing—will result in more and more centralization of economic power here in Ottawa. I wonder why some of my friends in the New Democratic Party are not tempted to support the program, because what is likely to happen is that the program will result in a highly centralized economy with the main economic decisions being made by a few officials and a few ministers here in Ottawa. If such a program is in place for three to four years or longer, the trend toward centralization might well become irreversible. I am utterly opposed to controls for the period envisaged thus far by the government, and I hope it can be persuaded to adopt a more sensible period.

As I say, this longer term concept will not work. I am not prepared to delegate all that power to any government for an undetermined period of time; and this really is an undetermined period of time because the period can be extended beyond the 3¼ years very easily by the government. Furthermore, I say that this government, with its record, is not entitled to trust or to any benefit of the doubt in respect of its purpose.

● (1250)

Some hon. Members: Hear, hear!

Mr. Stanfield: There are many faults in the program as introduced. Let us consider the freezing of dividends. Why is there a freeze of dividends? That is obviously unfair to a good many people.

An hon. Member: What about the corporate citizen?

Mr. Stanfield: My friend asks about the corporate citizen. This is not going to worry the corporate citizen much because he does not depend on dividends. It is obviously very unfair to many retired people who need the income from the few shares they own.

An hon. Member: One-quarter of 1 per cent?

Mr. Stanfield: Apparently, it does not matter that this hurts only a few people or a small proportion. Apparently, we should kick them around as much as we like. I am not attacking my hon. friend; I am asking the minister what is the sense of doing this. Why not provide some guidelines in respect of dividends that are relatively fair and compatible with the rest of the program? Why should we have a freeze on dividends? Is this sort of gimmick an attempt to persuade the workingman that the government is trying to kick other people around? I think the actual freezing of dividends, as opposed to the establishment of sensible guidelines in relation to dividends, is stupid for umpteen reasons.

I do not want to carry on for too long, and I cannot; but I must say that I am by no means ready to continue to support the government's anti-inflation program. I do not demand perfection, as I have indicated, least of all from this government. I recognize, also, the urgency for definitive action being taken to curb the rampant inflation existing in this country today which is doing so much injustice to so many people. But I will not support the bringing into operation of a bad program. By a "bad program" in these circumstances, I mean one which is not only imperfect—and I expect any program to be somewhat imperfect—but one which probably would not work and would create new dangers and new problems. Due to its length, particularly, and other aspects that have been mentioned, this program probably will not work and probably will create new dangers.

I say this parliament ought not to be asked to grant to the government the extraordinary powers it is seeking for virtually an undefined or very ill-defined period of time, subject only to a relatively ineffectual period of review involving a debate in the House for three days. Such a review and debate would be virtually meaningless when the government has a clear majority in parliament.

In my view, the bill should be amended so it will terminate in 18 months. Just before the expiry of the 18 months, if the government felt it could make a case for the extension of the program, it could bring in a bill for that purpose. I want to say frankly to my friends in the NDP that I cannot support their motion. Without taking too much time, let me say that I find the NDP position on controls and in the fight against inflation rather confusing, puzzling and contradictory, depending on which part of the country you happen to be in at the time.

Some hon. Members: Hear, hear!

Mr. Stanfield: I really find it a little difficult to take my hon. friends seriously on this subject. I cannot really believe, much as I respect him, that the leader of the NDP believes the program he outlined here this morning would bring under control the inflation that exists in this country today.

Mr. Broadbent: Why not?

Mr. Stanfield: I have to say, furthermore, that the motion is clearly premature. The bill is still before the committee. Our approach in this party is to be constructive, and the purpose of the motion, it seems to me, is to be destructive.

Some hon. Members: Hear, hear!

An hon. Member: It's a lot of baloney.

Mr. Stanfield: Somebody says this is a lot of baloney. I would not characterize the motion as a lot of baloney.

Some hon. Members: Oh, oh!

An hon. Member: You called it destructive.

Mr. Stanfield: I am sorry, Madam Speaker, I did not want to excite the members of the NDP too much just before lunch. I do not want to create any indigestion.

Mr. Guay (St. Boniface): You are speaking to the Chair.

Mr. Stanfield: I am speaking to the Chair. I have kept a proper distance from hon. members in the NDP this morning. We will try, in our party, to persuade the government to modify this program so that it holds promise of moderating inflations, so that it appears to be based on reality, recognizing the limited utility of controls on prices and incomes, so that the program does not involve giving the government the power to impose controls for years and years, bringing about a change in the fundamental nature of our economy, making collective bargaining virtually meaningless because of the length of the period of controls, and arrogating to itself the important economic decisions in this country over that period of time, destroying not only the power of decision of co-operatives and corporations but possibly also emasculating the powers of our provinces over the same period of time. How could we willingly grant such powers for so long to any government, let alone a government which has such a record for opportunism as this one?

I oppose this motion because it is premature and, being premature, is purely destructive in purpose.

An hon. Member: No rationale at all.

Some hon. Members: Oh, oh!

Mr. Stanfield: If my friends will look after themselves, I will look after myself. I am sorry, Madam Speaker, I really did not mean to excite those hon. members. I say to the minister that we will continue to try to improve the bill in order to produce a workable program that does not involve a blank cheque of the sort the government is now seeking. I will vote against the motion.

[Mr. Stanfield.]

Mr. Abbott: Madam Speaker, perhaps I might call it one o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: May I bring to the attention of the House the fact that at one o'clock when the House rose for lunch, the Chair recognized the hon. member for Mississauga (Mr. Abbott) because no member of the Social Credit Party rose. The minister, who was expecting a member of the Social Credit Party to seek the floor, did not rise although he intended to speak after a representative from each of the three opposition parties had spoken. I am sure the House would agree to listen to the intervention of the minister at this time, without affecting the right of the hon. member for Mississauga to speak in due course. Is this agreed?

Some hon. Members: Agreed.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, may I express my thanks to you and to all hon. members for giving me the opportunity to speak at this time. I wish to respond briefly to a number of points made by the leader of the New Democratic Party.

An hon. Member: In his absence.

Mr. Macdonald (Rosedale): May I say he had the courtesy to speak to me just before the House rose, indicating that he had a conflicting engagement which would make it difficult for him to be here right at two o'clock, but that he would be in the House shortly thereafter, so perhaps he will have an opportunity to hear at first-hand a part at least of what I have to say about his speech.

I think one of the most significant phrases of his speech was the important recognition—and this is a direct quotation—that inflation is the scourge affecting our whole population. Indeed, in all the arguments we have heard from the hon. gentleman and his colleagues inside and outside the House for the past four weeks, they have indicated what they were not prepared to do, what they were not prepared to support and what they were not prepared to give in relation to this program against inflation.

I think it would have been justifiable for one to have arrived at the conclusion that they were not concerned about inflation at all, and indeed that their principal motive was to oppose the present program. Therefore, I welcome that clarification on his part and the fact that he and his colleagues are concerned. I recognize that he has given himself and his party a rather difficult brief to carry in this particular regard, because he has had to start off on the assumption, not justified by any economic fact, that increased labour costs can in no way affect the cost of goods and services which people buy in the community. He has taken the position, of course, that wherever wage or salary increases might take place in respect of individual firms or the community as a whole, they will not in fact

affect prices. He has had to look for villains or evils in other sectors of the economy to overcome the fact that, above all, labour costs, as is the case with many other costs, are important from the standpoint of inflation.

He has been unable to refute the argument which has been advanced by the Prime Minister (Mr. Trudeau) and other speakers on this side of the House, that unless there are some restricted restraints with regard to the compensation side of our economy, not only will the inflation get worse, or not better in this country, but that indeed over a period of time our competitive position, and therefore the jobs of Canadians, will suffer as well. The leader of the New Democratic Party cited the three areas of food, shelter and energy costs as his party's explanation of why we have inflation, and he insisted that, in effect, nothing had been done to protect Canadians in these particular areas.

I think it is fair to say—the Leader of the Opposition (Mr. Stanfield) has already referred to this—that there were a substantial number of contradictions in what the hon. gentleman had to say. At one point late in his remarks he was saying the government was spending too much and that certain programs had to be cut down. At another point he was saying that, of course, the government had done absolutely nothing in the form of its budgetary expenditures to deal with the problems of inflation affecting Canadians. I shall not again go into the various increases that this government has been responsible for in respect of old age security, the guaranteed income supplement, veterans' benefits and other payments for the purpose of enabling those particular groups of Canadians for whom we have a special responsibility to keep up with rising costs. However, I believe it is fair to point out to the two members of the New Democratic Party who are present at this time that this government, in its budgetary provisions, has made provision not just for hundreds of millions of dollars but for billions of dollars specifically for the purpose of keeping down the cost of food, shelter and energy for Canadians.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Because we have had a recent debate on the question of housing in Canada I will not refer in detail to the various substantial programs—I think I would be correct in saying in the aggregate of over $1 billion a year—under the jurisdiction of my colleague, the Secretary of State for Urban Affairs (Mr. Danson), specifically for the purpose of providing additional housing for Canadians of low income. I refer to the most recent program announced both for the extension of AHOP and subsidized rental housing to provide Canadians, particularly those at the lower end of the income scale, with better and more housing at a price they can afford.

So I think it is a little disingenuous for the leader of the New Democratic Party to say that the government has made no budgetary provision, for example, to provide low-cost housing for Canadians when in fact even a quick examination of the Blue Book would indicate that over $1 billion has been appropriated for this purpose.

● (1410)

With respect to energy, the leader of the NDP took the position, again, that this government has done nothing by way of budgetary provision to provide for the higher costs of energy with which not only Canadians but all world consumers of energy have been faced in recent years due to the action of the OPEC countries in quadrupling the price of oil. Here, again, I suggest that the allegation that nothing has been done is unfair. I point out to the leader of the NDP that in budgetary terms and in terms of the current fiscal year 1975-76, this parliament in the aggregate will appropriate $1.5 billion for the oil subsidy payment, for example, to keep down the cost of fuel oil in the constituency of the hon. member for Cape Breton-East Richmond (Mr. Hogan) and in other constituencies east of the well known Ottawa Valley line.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Whether we are talking about Canada or any other countries in the world, there is a basic fact to be recognized: higher energy costs for the world in general are here to stay; these prices have to be paid, and no element of rhetoric and none of the old arguments about attacking multinational corporations or accusing the federal government, in its dealings with provincial governments, of causing the problem can get away from that fact which we should all recognize and take into account. That is, that we will have to pay higher costs for energy. This is inevitable for each of us when we go to purchase gasoline, fuel oil, to pay our hydro bill or whatever it may be. Therefore, it seems to me rather contradictory and inconsistent for the hon. gentleman to say to the House that the government has done nothing to restrain energy costs, when in the first place this government has been responsible for keeping down the price of oil for all Canadians at a price level $4 under the world price.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Especially when the NDP provincial governments of Saskatchewan and British Columbia, as much as the governments of any other energy-producing provinces, have sought higher prices for their own energy commodities.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I do not disagree with the Premier of Saskatchewan when he goes to federal-provincial meetings and tells us not to expect Saskatchewan to take anything less for its energy commodities than any other province, particularly Alberta. I do not disagree with Premier Blakeney when he says that, and I do not disagree with the government of British Columbia when it says that natural gas is a scarce resource which can be replaced only by expending more money to find additional natural gas and it will need a bigger cash flow back to the industry for the purpose of finding these resources. I agree with the governments of British Columbia and Saskatchewan that for reasons of revenue to the province and for developing additional resources we are going to have higher prices for energy in this country.

However, it seems strange to me that in the face of the fact that we have these circumstances at the present time and that we have to find energy, the national leader of the NDP contradicts what the two provincial premiers say.

That leaves us wondering about the adequacy of the solutions he puts forward with regard to energy pricing.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): The third matter mentioned by the leader of the NDP was the vexed question of food costs. I have said before, and say again, that probably no transaction made by every Canadian family in the week is more a matter of concern for them than the amount spent at the corner store and the supermarket for the purpose of keeping them in food. I must say, as well, that we acknowledge at once the increase in food prices in Canada has been an important factor in increasing the general price level in this country. What interested me in the speech of the leader of the NDP is that at one point he spoke with accents of admiration about the work of the Food Prices Review Board, and the only criticism he had was that this government had not given to the Food Prices Review Board the power to roll back prices.

Then he went back to the old argument that the reason food prices had gone up in Canada was a higher profit margin being taken by the vendors or the processors of particular foods. I think it is fair to remind him of the speeches he and other members of his group made in one of the two previous debates we have had in the last four weeks on this subject. They said that the Food Prices Review Board had failed in its duty, having examined the facts and found that increases in food prices had not been due to higher profit margins, and they are now saying that the board did a good job and we should be taking action, just as the board recommended, for the purpose of rolling back prices. The leader of the NDP asks why there is not some provision in this particular bill for the kind of scrutiny of food prices as existed with the Food Prices Review Board and, what is more, he said it should have the power to roll back prices. I think it is fair to call the attention of the hon. gentleman to the fact that those powers are in Bill C-73.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): That is why I must agree with the Leader of the Opposition when he referred to this as being a particularly arid exercise—those are not his words, but mine—to be having a debate on an opposition day on this question when the very powers the hon. gentleman says we should have are in fact in a government bill which is before a parliamentary committee at this time.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): This is a measure which the hon. gentleman and his colleagues opposed at second reading. He now asks for the powers we have put into this bill for the Anti-Inflation Board, which are those he opposed in his vote at second reading.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I acknowledge that the leader of the NDP has a difficult point to make and a rather difficult brief to carry. He cannot acknowledge the fact that over the past 18 months or two years the government has been making very substantial appropriations of funds and has kept prices down for Canadians with regard to the commodities he referred to, food, housing and energy. He cannot acknowledge the fact that there can be, and is, a problem for the economy as a whole if not only profits and rents but wages and salaries go up, and in that sense he has put himself in a difficult position. While recognizing and having sympathy with the difficulty of the position he is put into, perhaps it is for this reason that most hon. members of the House will not have found his presentation this morning to have been very convincing.

I was interested in his remarks on the question of professional income. I have had occasion to refer to this in the past. He said that in other nations where they have put into effect a prices and incomes system, they have also taken effective measures for the purpose of controlling professional incomes. Let us consider one example. Have they done that in the United Kingdom? After all, with a Labour government, a socialist government under Prime Minister Wilson, in Britain one would assume that if the hon. gentleman were making a reference, he would refer to the spiritual godfathers of the New Democratic Party in Canada. What is the situation? While the socialist government in the United Kingdom has put a £6 per week maximum on the income of the ordinary workingman, it does not control professional incomes at all.

Some hon. Members: Shame.

Mr. Macdonald (Rosedale): I acknowledge the validity of the point made by the leader of the NDP with regard to the fact that the question of professional incomes is a vexed one for our community, and that while in terms of gross national product the amounts which may be involved are not significant from the standpoint of the test of fairness and equity, it is important that not only should the wage-earning man see that he is being dealt with fairly with regard to his own income, but he should also have the assurance at the same time that the self-employed professional will be controlled.

• (1420)

Indeed, all the ten provincial governments agreed with us in this regard. They also agreed that the best means of doing so—given the fact that those professions are self-governed within each province—was a three-way arrangement with respect to controlling professional incomes. It should be the responsibility of the province, with the professional associations there, to work out an effective limitation on billing practices with the understanding that the federal level would impose a requirement on them to file a statement of professional income and monitor such statements to determine if the income exceeded the guidelines.

As I put the matter to the leader of the New Democratic Party yesterday, this bill provides that while a professional will be entitled to go up to the maximum of $2,400 on professional services over his present income, he will be subject to the scrutiny of the Anti-Inflation Board, as will everybody else. In the event of an excess, the administrator will be able to take back from him anything over the permitted amount. There can be question of approach and timing such as was raised by the Leader of the Opposition. We may disagree with them, but I think we should be

exempt from this kind of argument where we are told something is not in the bill when it is, as is indicated by the proceedings before the standing committee.

At the end of his remarks, the hon. member for Oshawa-Whitby took exception to the fact that if firms or individuals are successful in improving their productivity, these flexible guidelines make it possible for them to enjoy the benefits. From the standpoint of the Canadian economy as a whole, I cannot imagine any advantage in a system which fails to reward productivity. The improved productivity of individuals or groups of workers or firms which therefore improve the resource base for us all, is obviously in our interest. Amongst other things, it enables us better to look after those at the lower end of the income scale who are not in a position to improve their productivity.

The leader of the New Democratic Party also referred to the exemption for reinvestment as an exemption that would enable firms to go ahead and increase their prices. I think I persuaded him in private, and I hope I can persuade him in public, that the exemption he is referring to is with respect to the possibility of reinvesting those funds arising from export profits which have been taken from exporting firms by way of specific levy and held in public account, and will be repayable to the firms upon their establishing to our satisfaction that the funds are to be reinvested in productive enterprises in Canada. It is not true that a firm will be entitled to put up prices to domestic and foreign customers because it seeks to invest in export industries.

I should like to go back to some of the basic principles which I had occasion to set out in earlier debates on this question. We know that the administration of this kind of program, indeed of any kind of control program, on an economy and a system of society as complex as ours is not going to be easy. We would acknowledge, and I have been happy to quote the term used by the leader of the opposition, that inevitably a system of this kind which strives to set fixed standards on various groups of people is going to account for some rough injustice, if you like, or at least will achieve only rough justice between various groups.

We believe that a large number of Canadian people think it is important at this time that we all restrain the demands on our available resources; that Canadians generally accept the fact that the rate of inflation we have known resulting from real costs coming into Canada, and also the self-generated ones, are costs that we cannot continue to impose upon ourselves. We have to take action to restrain the rate of inflation at this time, and I believe, and I think my colleagues have found, that there is a broad measure of support for this particular program in the country.

There is no doubt about the fact that one of the difficult areas is pricing. It is perfectly true that, while the wage settlements coming forward, which in our country on an annual basis are numbered in the hundreds or thousands, may effectively be scrutinized and controlled in advance, the many retail transactions occurring in Canada, numbering in the hundreds of millions, cannot effectively be scrutinized. We acknowledge that. In many cases, at the retail level it will be difficult to put advance controls on pricing, but we insist that we can exercise effective control over certain commodities and require advance notice of price increases. Over the retail sector as a whole, we can put on effective controls with regard to the mark-up across a whole range of commodities that turn up in the food basket.

In talking about the control of corporate profits—and that in itself is an effective control on the price of things that some groups of Canadians have to buy—I can refer to the decision of the Canadian Transport Commission on Monday, November 3, 1975, with respect to the British Columbia Telephone Company. This is evidence of the fact that the cost of services to Canadians can be effectively controlled. The decision of the CTC, specifically founded upon the government's guidelines, reduced by 28 per cent the amount which, but for the guidelines, the CTC would have given that company on its rate application and, going into the executive suite, it reduced by $1.5 million the amount of compensation the senior officials and managers of that company could have expected. We think that what happened with the British Columbia Telephone Company will happen again and again in the months to come. We acknowledge that there will be difficulties with individual prices in the supermarket but we think the program can be effective in reducing prices in Canada, and over time will be seen to be effective in doing so.

My colleagues will be participating in this debate, Mr. Speaker. In the course of the next three weeks the committee discussion of Bill C-73 will be completed and it will be back in the House. There have been proposals in this debate and in committee for amendments. Indeed, we have put some amendments before the committee and I shall be looking for those and some points that members have made, and will be prepared to consider them.

I would stress, again, the importance of taking action now to restrain the rate of inflation in Canada, taking action through the measures we have put forward to assure those Canadians who want to co-operate with the program that with their support and with the sanctions put forward in the bill, they will be rewarded by a lower rate of inflation and individual groups will not be able to take advantage of the situation. In the weeks to come, we hope to find that kind of support so that the program can be put into operation and all can enjoy the benefits of the kind of restraint that we believe is in the national interest.

● (1430)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, much ink has been spilt and much has been said about the inflation issue. We note that the problem is far from being solved. The motion under discussion todays shows that some people realize that the distribution is far from fair for professionals and wage-earners in Canada.

I will take this opportunity to point out that in my opinion, there are three economic causes behind inflation: First, taxes, second, inadequate wages for the level of prices and, third, deficient total purchasing power in the country. Inflation is an economic phenomenon. Therefore it has economic causes. However, inflation appears in one sphere of human activities. We also find a psychological cause which we feel is specifically due to the economic conditions in our present economic system. On one hand, wage earners as a group ask for salary increases either to make both ends meet or to provide for amenities. On the

other, industrialists, manufacturers or merchants, still as a group, are seeking to increase their prices, either to balance their budget or boost their profits: in either case, we see a race for money which is growing harder and relentless. This race is a normal manifestation of human selfishness relating to any rare and necessary time.

Let us look at some concrete examples: the air we breathe is what is most important for man. Without this air, man cannot live for more than a few minutes. It is a matter of life and death of a primary and immediate importance. Yet, men do not struggle between themselves to stock this air we breathe. Providence has given us plenty of it. There is no shortage of this commodity, therefore no selfishness. Here is another example: at the outset of the war, the federal government called for restrictions and rationing.

We immediately witnessed struggles and selfishness not so much about money which was then relatively abundant, but mostly about ration coupons and rationed goods. It was a normal reaction of human nature in front of a product both rare and necessary.

Therefore, when we see on the one hand salary increases and on the other price increases, we are witnessing a human reaction in front of a rare and necessary thing. In a situation of this kind, we believe that far from stirring inflation a stronger purchasing power can only temper it and even cancel it, providing this added power will be achieved within scientific standards.

In a free society, any attack on currency is serious because it affects the measure of values in exchanges between human beings, which is the very basis of economic life. The people most responsible for currency devaluation which affects our daily life are those who govern us. The leaders of big labour unions who each year reactivate the mechanism of pressures aimed at improving their members' wages contribute in speeding the inflation spiral, but most efficient of all in bringing about the constant devaluation of money are the men who make decisions about taxes and taxation rates of all kinds, occasional interest rate increases, taxes to which we are subjected and which create the public activities to be financed with those same taxes. Any tax is inflationary. It is quite important to stop and think about taxes and taxation. Any tax is inflationary. That is a common truth that should be reiterated untiringly. The pressures causing the ever escalating wages must be removed but the government need not legislate in that regard if on the other hand it does not stop expanding its tax demands that bear upon wage earners, producers and retailers.

For instance here is our Liberal administration which, taking its courage in both hands and rejecting the laisser-faire principles proclaimed in the past, declares a temporary freeze on wages and prices while at the same time leaving the tax system intact, a sure way to trigger new price and wage increases. We realize that with such cost of living increases, money becomes worthless, but people keep on buying and their problems multiply. They are buying on credit, using their Chargex credit cards or some other cards, and making more debts.

I should like to quote from an article published in the Friday, December 13, 1974 edition of *Le Devoir* by Mr. Velk, an economist who is a member of the McGill University faculty and a former adviser to the Federal Reserve System. He is serving now as an economic adviser to the U.S. Congress Joint Commission on Economic Affairs. I feel it is particularly appropriate at this time to quote this article entitled: "Bankers' extraordinary powers during the inflation crisis".

Hon. members have a tendency to criticize and mock Social Crediters for their statements on banking power. Although Mr. Velk who is unknown to me is certainly not a Crediter, I should like to quote from his article. Anybody can check this. Quote:

> Our present economic difficulties arise from two main factors, which are the rediscovery by international bankers of the secret of producing money, and the colossal increase, at the international level, in the number of payments made through banks—an increase that is partly due to higher prices induced by the state cartels of raw material producing nations.

● (1440)

Obviously it is difficult to make a just distribution of riches in a society controlled by finance. We live now in a world where scandals of all kinds are brought to light; we see exaggerated expenses. In such a social climate, priorities are sometimes disturbed.

Governments, ministers, members of the House, union leaders, organized crime, everybody is into it. But in the meantime, the real problems of the control of a few people over the cost of living and the monetary and financial power remain unclarified and continue to thwart people. The real scandal lies there: in the discretionary powers of the chartered banks, in their alliances with governments, in their control over food, in their financing of production and consumption.

We live in a society of imbalance and suspicion. Our social tendency is individualistic: every man for himself. Many people in the low-income bracket are not unionized. Many union members contribute nothing to their unions. May I be allowed to remind you, without meaning any harm, that the great experts of other colours would have us believe that the Social Credit Party is dangerous, that it would create inflation, that our money would be devalued. That is precisely what we are experiencing now; yet, the Social Crediters are not running the country.

If we are to get the upper hand on the situation, straighten it out, make it more humane, more respectful of man's work, we will have to join forces, regroup ourselves in the monetary field as well as in the working world, or that of food production: and for that, through the government, control the issue of money and credit.

When goods are lacking, production is blamed. When there is no work, we blame it on the workers. But there is no lack of production or work in our society. Production has its problems, indeed. But there is really no problem, what with the subsidies of all kinds granted to companies to open a new plant or expand existing facilities. The problem is to sell their production. The workers want to work.

A very low percentage of workers seem to hesitate. You have only to listen to people to realize this. The problem is that they cannot buy the produce of their work with their earnings. Then, where is the problem? Among workers? No. Is it their production capacity with automation which

is in our society to last. No, the problem is not here either. Where is it? In the means of exchange of products? In money? We should subdue finance and let people be free. Why are there slowdowns, rotating strikes, legal or illegal? Because of a lack of purchasing power in general, sometimes to get better working conditions but in particular it is to improve the purchasing power.

With inflation protected by governments, because it is sometimes paying, the worker, despite better wages obtained after long struggles, buys less than five years ago with more money. If we go without butter, it is not because farmers do not produce enough. On the contrary, they complain because they get stuck with surpluses. They have to waste and destroy it. Most ridiculous, we import huge quantities from other countries. If we go without eggs, it is not because hens stopped laying nor because the producer does not work enough. On the contrary, eggs are destroyed. If we do not have enough meat, it is surely not because there is not enough beef in the country.

We witnessed last fall—and it nearly happened again this year—the killing of slaughter cattle that producers could not sell on the market at decent prices. The producer is loosing money with his production, and consumers are short of money to buy that same production. If men, women and children only have rags on their backs it is not because sheeps do not give wool or because cotton plantations do not produce anymore. In addition to natural cotton and wool clothing, the human mind even managed to produce clothing made of nylon, rayon and other synthetic fabrics.

If families live in cramped quarters in slums it is not because there is no more wood, no more stone, no more cement or no more steel to build new houses—we have the building materials—it is not because we lack manpower—we have too much of it, we controlled it with working permits to protect the jobs of those who were already employed.

There is no lack of production; on the contrary, there are unemployed who want to work, at least the very great majority of them. In our system the unemployed are excess help; we do not know what to do with them. We retrain them; we overhaul the retraining system. We tell them to take courses, we pay them to do that and during that time they are not included in the unemployment statistics. We do not know what to do with the unemployed or unemployment. People are being given nearly as much to stand idle as to work, and that sometimes discourages the worker. Want of cash, of money, when we could produce but not buy. Want of cash, of money, during the war when money was ordering the destruction opposing peace. Want of cash, of money, after the war when prices were running, going up, before our incomes, our wallets. Want of cash, of money, today when plants send their workers back home because of unfilled orders in spite of a multitude of unmet consumers' needs and in part because of uncontrolled imports conditioning our industries.

Everyone is blamed except the financial interests, which control both governments and people. Tenants do not have enough money to pay their rent. Owners are penalized by a property control, the new lease system. We prevent them from using their property instead of making the financial interests serve the tenants. We prefer to take away the freedom of everyone.

Are building materials too expensive? The state takes control over materials instead of controlling the financial interests which are causing the price increases. Are labour families lacking the essentials in spite of full stores? The Minister of Finance reprimands them by saying: You are not working enough, you should work four hours more every week, and tighten your belt.

We control the victims of finance instead of finance itself and we are seeing the results. The state restrains freedom, initiative, private enterprise, private property and says that its intervention is required because the situation is abnormal, but it is very careful not to interfere with financial tyranny which is creating abnormal conditions on purpose to lead to the subjection of individuals by the state.

The victims themselves hope that such will not be the case. Everyone tries to pass the penalty or the control over to others. Workers demand price controls, but not wage controls. Producers ask minimum prices for their products in the form of subsidies, like those provided in Bill C-50 on agricultural stabilization, but are against minimum wages for their employees. Tenants want owners to be controlled, but not themselves. The owners want to control their right to higher rents, but not a control of housing conditions. Owners protect against land tax increases, but demand stiffer business taxes.

The poor, the taxpayers want big corporations to pay more taxes, but the latter cry for subsidies for research, for marketing, or simply to maintain their prices at current levels. Oil is a case in point. So, everybody is caught in the financial trap, and we are fighting each other instead of breaking the trap open. There will never be any political control over the country if the economy goes uncontrolled. It has to be controlled, that is the only way. In other words, the economy must be led to its goal. How shall we go about leading the economy? By telling it what to do. Consumers should say what to do, and producers how to do it. The government's role is to remove obstacles, to look after the free flow of economic blood, that is money, buying power. In other words, the distribution of wealth.

Recently, the National Welfare Council issued a press release at the end of which the Minister of National Health and Welfare was reminded of certain commitments made on various occasions, and I quote:

> Speaking to provincial ministers, the Minister of National Health and Welfare announced in February last the Canadian government's proposals concerning support and supplement, and he promised that:
>
> "(. . .) I can certainly state that as long as it will be in the Canadian government's power to decide, the poor and have-nots will not bear the heaviest share of economic difficulties the western world might face—

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

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, this debate on the NDP motion seems very close to the one on the guidelines bill that we were discussing. However, the total program of the government perhaps leaves much to be desired. With regard to professional incomes, I wish to make some comment on this because in committee certain

things have not been stressed. Professional incomes, while maybe not completely controlled, are highly controlled in any case. While they vary from, say, real estate people to lawyers to doctors, dentists, and so on, I might say as far as physicians are concerned, one of the larger groups involved, that their fees are for all practical purposes already highly controlled because the provincial governments are the paying agencies. While the increases to physicians vary from province to province, in most provinces they have been much below the average since the early 1960s. In Manitoba there has been approximately a 10 per cent increase since 1969. In fact, the guidelines will probably increase the fees in Manitoba because there will be a tendency to charge whatever the guidelines allow. As the provincial government is the paying agency, the guidelines will be adhered to. It may well happen that the guidelines will diminish productivity because physicians are like everybody else, they don't like to work except between nine and five, and only then on occasions—and if they find that rewards for service given in the middle of the night are completely taxed away, as has been suggested, I think the population will suffer.

● (1450)

I would question the point of wage and price guidelines at this time. It seems to me that the time for such a program has gone by and that it would have been of considerably more value earlier on. In fact, there is considerable evidence to indicate that the Canadian economy is doing better than the government says. Thus, I question the wisdom of total wage and price controls which are only partial and which can be construed as favouring one group as opposed to another.

We have been treated to speeches by the government, by union officials and by business containing such heavy phrases as "the plight of the Canadian economy", "there is runaway inflation" or, "we'll go down the drain". We, as Canadians, may not have been noted for having a very successful situation, but there is considerable evidence that the grim cloud that settled over the nation may not be quite as bad as it first seemed, and that in any case severe wage and price controls will not prevent severe things happening to our economy if long range policies are not put in place.

What about inflation? The latest consumer index showing just over 10 per cent does not come into the category of good tidings of great joy, but it is better than what it was last year. The declining effect of inflation on wholesale and commodity prices can be expected to work its way down to the grocery stores. For instance, the wholesale price index for September was 6.1 per cent up over a year earlier, and the price of raw and partially finished goods had risen only 2 per cent in a year. Bumper crops of grain in the United States, and to a lesser extent in Canada, have pushed down the basic price of corn, wheat and oil seed so that at the present time farmers are receiving a level of return comparable to that of 1972 before the devaluation of the American dollar and the crop failures around the world.

On the Chicago grain exchange, which is the bellwether of grain prices in the western world, wheat futures for December were $3.70, versus something like $6 a year or two ago; corn was $2.73 a bushel, versus $4 or $5; soybeans, at less than $5, were substantially less than the $7 to $9 of a year or two ago. As a matter of fact, were it not for the crop failure in Russia, wheat would be not selling for nearly as much as it is. The Canadian farmer might well have found himself unable to sell his grain were it not for this basic failure.

What about these grain prices? I suggest that they are the point at which prices start for the consumer. If there are high grain prices, there must be high meat prices, and while we in Canada do not produce all we consume—there are many commodities like citrus fruits, tea and coffee, for which we are dependent on foreign supplies—still our position is not so bad. The record grain crops in the United States, and to a lesser extent in Canada, will push down the price for livestock and poultry feed to produce an easing of the pressure at the grocery level.

What does this mean? Well, the Minister of Agriculture (Mr. Whelan) said during the election that prices in the grocery store would drive the farm price right through the gate, through the house and out to the manure pile. To some extent he is quite right. A very serious situation could develop as far as beef is concerned. We are at the top of a beef cycle; we are liquidating our beef herds and they are selling below cost as far as the producer is concerned. If the guideline prices are applied at the grocery level—and certainly they must be if they are to be effective—it means that the price of beef to the consumer will be below the cost of production at the present time. This will lead to an abnormal liquidation of our cattle so that in the future, not very far away, when we need the excess production it will not be available.

What about strikes? It is true it has been said that whenever you read the newspaper, somebody is on strike, and we may be fond of quoting that Canada was second only to Italy last year in the extent of strikes. But they have been down by 38 per cent in the first seven months of this year. Perhaps the postal strike will change this percentage—and its continuation can be ascribed to the mismanagement of the government in handling it—but it will be a better year than most. Certainly, strikes are an increasing problem in our economy but they are no worse than they were last year. Last year was when action should have been taken to curtail strikes. Have Canadian wage settlements been outrageous? It is my interpretation that much of the demand for wage settlements has arisen from the devaluation of the American, and subsequently the Canadian dollar, by 40 per cent two or three years ago. We were so tied to the U.S. dollar that inevitably we had to devalue our currency by 40 per cent or more. Much of the increase in wages can be attributed to the readjustment that had to be made.

● (1500)

In the third quarter of this year before the government decided on wage and price controls, wage settlements in the commercial industries averaged only 13 per cent over the life of the contracts. How much further behind is this compared with the 12 per cent allowed under the guidelines for workers who have fallen behind as a result of inflation?

As for unemployment, on a seasonally adjusted basis unemployment in many industries is high, though it has

reached a plateau over the last 18 months. Labour in the 25 to 55 year old age group in western Canada is very hard to come by for many industries. For instance, western agricultural industries which provide large amounts of foreign exchange for our country without the contractual link of the European Common Market, which seems only to want to buy an excessive amount of raw materials from us, not the finished products as the government had hoped, are severely hampered because no agricultural workers are available. There are rows and rows of want ads in western farm papers advertising for workers at good wages.

Our trading position is not all that favourable, but has not been quite as bad as it seemed it might be at the beginning of the year. As far as the dollar is concerned, things would be better if the Canadian dollar were slightly lower than the U.S. dollar; at the present time it is only 2 per cent lower. The foreign dollar deficit has been covered by an enormous inflow of capital funds. True, most of this represents sales of securities by provinces and will have to be paid for eventually. It is a little like the family who have a lot of money in the bank but who have to mortgage the house to get it there.

I cannot see why the government chose at this time to introduce these general guidelines, that are as full of holes as Swiss cheese, since the rapid increase in inflation is subsiding. Is the government using them as an excuse to fasten on to the economy a bureaucratic apparatus which will continue, longer than the three years, to stifle and hobble private enterprise? In this regard I agree wholeheartedly with the Leader of the Official Opposition (Mr. Stanfield), who has stated emphatically his demand that the guidelines be re-assessed at the end of 18 months, that they be voted on by this parliament, and that a new bill be introduced if they are to be continued. Only in this way will we be prevented from hobbling private industry in the years ahead.

The failure of the government to bring forward an energy policy that makes sense is creating shortages for the future. We are being amply warned on all sides that the federal-provincial fight has severely reduced exploration and development. Holding energy prices at below world prices is always dangerous in the long run.

This fall the energy committee travelled to the Athabasca tar sands, among other places. There is no doubt that the Athabasca tar sands are probably Canada's greatest reserve, but their development, however, will be very expensive. With private industry being allowed $1.57 or $1.60 on a barrel of oil costing $8, there is no way the tar sands can be developed at anything like this price. Certainly at Great Canadian Oil Sands, for example, 1,600 men are required to produce 50,000 barrels of oil a day. It is simple arithmetic to prove that with workers being paid between $10 and $12 an hour the labour cost alone of a barrel of oil is around $3.

This morning's *Globe and Mail* carried an article pointing out that the Prime Minister (Mr. Trudeau), splashing around in his $200,000 swimming pool, does not contribute to any energy savings.

Mr. Alexander: Shame.

Mrs. Holt: Grow up.

Mr. Ritchie: This pool is heated. I don't mind his splashing around in a swimming pool, but it is heated.

Mrs. Holt: He does not splash, he is a good swimmer.

Mr. Alexander: How do you know?

Mr. Ritchie: While Canadians blithely use up the immediate pools of oil and gas at low domestic cost, governments on the other hand are choking off investment in the industry. Even the premier of Saskatchewan in his latest budget promised to do something to make the oil and gas industry more attractive to private enterprise.

I do not think that governments alone can handle these problems without the help of private industry, at least not without instituting a rigid state something along communist lines. The present oil and gas policy encourages excessive use of all these premium fuels, and there is no incentive to find new sources.

Another problem has arisen in Saskatchewan where the premier of the province has resorted to expropriation in order to take over the potash industry. Perhaps he is bluffing a little, as has been suggested, and he may have had personal reasons for taking this action, but after two decades in which private industry has been exploring and developing the huge potash deposits in Saskatchewan, the provincial government now wants to nationalize the mines. This could not have come at a worse time.

Why the government could not have obtained for the people of Saskatchewan all that was required through the tax system does not seem to be very obvious. Although prices of potash have risen from $20 to $75 a ton the industry has been prevented from reaping large profits by the federal and provincial governments taking most of the gain through taxation. What the province essentially seems to want is to end the federal government's tax share of potash profits, and if the industry is nationalized and a Crown corporation set up, corporate tax will not be levied. This again underlies the jeopardy in which the government will place itself if it argues with the provinces, particularly over the mineral and resource industries. This question should have been settled long before this.

How will the potash mines fare under the Saskatchewan government's management? This no doubt depends a great deal on world markets and continuing prosperity. Already this year excess fertilizer stocks are being reported. Eventually, it seems, supply and demand will come more into balance and the profit on potash will become less lucrative. Saskatchewan may gain the industry's profits but will lose the technical resources and marketing connections. It seems likely that, if the Saskatchewan government nationalizes the potash industry, few companies will be prepared to risk their time, their effort, and their money in developing the province's metals.

Furthermore, this would pose considerable problems for Canada's financial position. The Saskatchewan government has to raise from $1 billion to $3 billion to buy out the companies, and much of this will have to be raised in foreign markets, a formidable undertaking. It is fashionable to say that it is all right to owe debts but not to owe equity. In the long run there is little, if any, difference because the return to the borrower who lends money, either directly or in equity, must work out at the expected

rate of interest. Prospective lenders in a debt situation will want, indeed will need as much money as if they had an interest in equity. I think this is a situation that we have forgotten in assessing what is best, whether to have equity or to have debt.

I believe that one of the long range factors in our economy is a failure to appreciate the value of savings. Personal savings are so important. We are exhorted to invest in Canada savings bonds and in private pensions, but are they of much practical value? One has to question them because savings of this sort have become not so popular. Indeed, in inflationary times it is often much better to spend your money than save it. For instance, a person aged 65 is better off having a new car, a new house, new clothes and a new hi-fi, for instance, than money in the bank. We have forgotten that the incentive to save in our society has been much reduced.

● (1510)

Mr. A. C. Abbott (Mississauga): Mr. Speaker, I welcome the opportunity to speak on this subject today. I listened with great interest to the contributions of those who preceded me. I am somewhat disappointed that the leader of the NDP (Mr. Broadbent) is not here, nor that party's financial expert who sits as a member of the Committee on Finance, Trade and Economic Affairs, nor the hon. member for Nickel Belt (Mr. Rodriguez) who provided the evidence for the grocery survey referred to by the leader of the NDP. I understand the leader of that party spoke to the Minister of Finance (Mr. Macdonald) about having some previous engagement.

It is somewhat disappointing that this debate, which was launched by the NDP, despite the fact that we are in the midst of our consideration of Bill C-73 in committee, and notwithstanding the fact that after considerable examination at that stage the bill will be returned to the House where members will have an opportunity to discuss it further, is taking place in the absence of those experts of that party who did not see fit to spend the afternoon with us. While it is interesting to have an opposition day on this subject—

Mr. Knowles (Winnipeg North Centre): We want to hear your speech.

Mr. Guay (St. Boniface): This is your day to be here.

Some hon. Members: Oh, oh!

Mr. Abbott: I know this barracking is an attempt to cover up the fact that the leader of the NDP is sure to be here when he has a speech to make, but is gracing this place by his absence now that other speeches are being made in response.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I wonder if I might ask the hon. member if he would permit a question. If he was told by the Minister of Finance (Mr. Macdonald) that word had been given to him, does he not know that the hon. member for Oshawa-Whitby (Mr. Broadbent) is out at the CBC recording a broadcast for Sunday?

[Mr. Ritchie.]

Mr. Guay (St. Boniface): Where is the rest of his gang?

An hon. Member: Now, now, Joe.

Mr. Deputy Speaker: Order, please. Perhaps I might interrupt that disturbance at the other end by asking the hon. member to speak to the Chair. The hon. member did not even allow the Chair to give him the floor in order to ask his question.

An hon. Member: Shame!

Mr. Abbott: Mr. Speaker, I recognize that the Leader of the NDP spoke to the Minister of Finance, and I recognize also that his engagement with the Canadian Broadcasting Corporation would certainly seem more important to him than being in the House of Commons. Nonetheless, I am simply expressing my disappointment that the few modest comments I intend to make will not fall upon the ears of those who have provoked them. I do not know whether the hon. member for Nickel Belt will also be on the CBC on Sunday, but I know that is one day I shall be doing something else.

An hon. Member: Try listening to the radio.

Mr. Abbott: The Leader of the NDP once again brought out some of those points he has let us hear before, and stated that his principal objection to the government's program lies in the fact that it does not deal with major inflationary problems such as high-cost energy, housing, and food. He then went on, as the Minister of Finance pointed out, to let us in on some supposed economic truths in accordance with his own opinions, completely ignoring the realities of what the government has done in these areas.

Particularly interesting was his reference to the oil price problem. The fact is that our consumption of energy in this country has gone up by 5 per cent.

An hon. Member: Seven per cent.

Mr. Abbott: Yes, 7 per cent, excuse me.

Mr. Stanfield: That is nothing to be proud of.

Mr. Abbott: In Europe and in the United States it has declined. The fact is that one of the reasons why Canadians have been able to continue, perhaps mistakenly, to consume energy at this very high level is that oil in Canada is still selling below the world price.

An hon. Member: What are you advocating?

Mr. Abbott: What am I advocating? I am suggesting that Canadians are now realizing that oil prices are rising internationally at a higher rate than in Canada, and unless additional funds are provided to the oil industry this country will very shortly be totally dependent on those outside sources for oil. When the Government of Canada is already subsidizing Canadian oil consumption to the extent of $1 billion, maintaining the price level, I find it somewhat incongruous that this should be one of the three principal branches of the argument advanced by the leader of the NDP.

That hon. member then went on to discuss the question of the price gouging in the food industry, which he alleges is taking place. He attempted to substantiate his argument by referring to a shopping list obtained from the hon. member for Nickel Belt, a subject matter in respect of which we have heard comments before. He read into the record certain price increases and then purported to use these as the foundation stone for his argument that severe price gouging is taking place.

The leader of the NDP castigated the government on the fact that the Food Prices Review Board did not have the power to roll back prices, but conveniently ignored the fact that the Food Prices Review Board has on frequent occasions stated that despite the most exhaustive investigations it has found that such gouging or profiteering at the distribution level is not taking place.

The other point the hon. member made reference to was related to agricultural land. He pointed out that this had been an effective argument used by his colleagues during the Ontario election, but he did not point out that one of the reasons why agricultural land is being abandoned by farmers is that they are having a difficult time getting a fair price for their produce and, like a lot of people in this House and elsewhere, they are not prepared to work for a meagre income and are insisting on getting an adequate return for their efforts or they will not stay on the farms. I think in his advocacy along this line he failed to come to grips with the real problems and ignored the realities of the situation. However, the Minister of Finance pointed out the weaknesses in his position.

In refreshing contrast, the Leader of the Official Opposition (Mr. Stanfield) when speaking in the debate said he recognized there were gaps and defects in the program. I believe it was he who coined the phrase "rough justice". He did recognize the difficulties in implementing the program. He said he would like to see the time of the program shortened. In other words, he made some constructive critical observations which I think the Minister of Finance and those of us on this side of the House listened to with considerable appreciation. I think it is very true to say that there was a very real contrast between the behaviour of the Leader of the Official Opposition in this serious hour of the country's history, and that of the leader of the NDP.

The Leader of the Opposition recognized that we are in the midst of a crisis and that this country runs the risk of economic ruin. He recognized that, on the best of authority, inflation has reached the point where it must be stopped, and notwithstanding his very real objections to the program he is ready to get behind it, support it in principle, and contribute effective and critical observations.

In contrast to that we have members of the NDP unready at any point to say the program has merit. They say it lacks merit in any area but are unwilling to say that if they had to bring forward a program they would do it this way or do it that way. Instead, they trot out their time worn cliches about monster corporations, and all their phrases about no competition in the market place. Then finally, of course, they pay their traditional dues to the one sector of the community they live off, namely, the powerful labour unions, and point out that they are the ones who are going to suffer.

There is one thing we on this side of the House can say; we are not anti-labour. And we are not saying we are anti-management. We are trying to preserve the economic fabric of this country.

● (1520)

The Minister of Finance in introducing this program recognized that it has defects but he is prepared, and has already done so by amendment at the committee stage, to remedy some of these defects. He has listened to members opposite at the committee stage, as he has today. I feel certain that the overwhelming majority of Canadians are ready to take this program, defects and all, and try to make it work.

I think it is a singular disservice to Canada and to parliament that members of the New Democratic Party have chosen to join with the Canadian Labour Congress in respect of the $500,000 that has been allocated to the cause of trying to destroy this program and bring it to the ground in any way possible. The difficulties Canadians face are certainly unquestioned.

There is the further question which is very much on the minds of many of us concerning whether the government has faced up to its own responsibility in cutting its own costs in dealing with the situation. Many of us have been heartened by the declared intention of the government to reduce its own costs significantly this year. I welcome that decision, as I know do many members throughout the House. The problem of course is that when these intentions are reduced to practical measures there will be many painful realizations that programs cherished by members on both sides of the House may be concluded. There presumably will be many people losing their positions in government, people who believed they were performing very valuable functions. In other words, we will soon hear, when these cuts are inaugurated, cries of outrage from certain people who this morning have urged that cuts take place.

So, what we on this side of the House believe is that unless government plays its part at all levels and cuts its costs, unless the Bank of Canada plays its part in managing the money supply, and unless the community at large realizes for the short term at least that none of us will be winners if the economy is destroyed and we become uncompetitive in the world then the whole system will collapse. If there is that realization then the program will succeed.

I hope that in the committee, and when the bill returns to the House, members of the New Democratic Party will recognize their responsibility and realize what this country expects from them, a party which has contributed much in the past to the concepts that are now part of our social fabric. I hope that they will get behind this program and stop simply offering shallow criticisms, and mouthing the negative response of their labour friends, and get behind this program and make it work so that we will have a better society.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I do not agree with the need for this legislation. It is evident that rather than being a well thought out contingency plan, that has been held in mothballs since 1971, it is

in fact obviously a "rush rush" job done in the list of the resignation of the former minister of finance and the then upcoming conference of the Liberal faithful, which just concluded last weekend. Given the circumstances, the Prime Minister (Mr. Trudeau) talked the cabinet into accepting this type of confusing plan. The Prime Minister is obviously a reluctant convert to such a program, and the new Minister of Finance (Mr. Macdonald) has said he finds it all rather frightening.

Little wonder there is so much concern, not only among senior officials in government but also among the people of Canada generally about the Prime Minister's commitment to this legislation. He keeps saying to the Canadian people, "You asked for leadership and now I'm giving it to you." The evident conclusion, of course, is that he admits he was not giving leadership in the management of inflation, or of the economy in general, up until this legislation.

Geoffrey Stevens in his column in the *Globe and Mail* on Friday, October 17, quotes the Premier of Nova Scotia as saying at the meeting of the premiers with the Prime Minister on Thanksgiving Day, after listening to the Prime Minister outline his program, "This raises 50,000 questions". The Prime Minister is quoted as replying, "That's right, that's why we are against wage and price control".

It is obvious since this legislation was introduced that Confusion Square has moved from below Parliament Hill to the halls of government itself, to the Department of Finance and to the officials of the anti-inflation board who have been hired so far. The way so many officials from a variety of departments are being seconded to do this job, one wonders if many of them were not underemployed in their own departments. It is too bad the government does not show a similar concern for the unemployed and the underemployed spread across the various provinces of Canada.

The confusion that exists, and the uncertainties about the guidelines and the regulations, could easily have been allayed if the government, once it decided to go this route, had for at least a period of 30 and possibly 60 days frozen both wages and prices. This would have clearly shown the government's commitment to the program and allowed the anti-inflation board to do a relatively orderly job, first of all of hiring personnel, collecting the multitude of statistics that will be needed, and setting up administrative procedures, including how to deal with the many exceptions that are bound to arise in deciding whether wage changes, price increases, profit margins, and so on are in order. It is true that from a political point of view this would have looked to the Liberals too much like part of the Tories' proposal in the last election. But it seems to me that in proceeding the way it has the government has stacked the deck against itself by creating all the confusion referred to above, and by desperately complicating the anti-inflation board's problems in getting data and so on to deal with the many complexities involved in an on-going dynamic mixed economy such as ours.

I repeat, that once the government decided to go this route there should have been a more orderly adjustment, and time provided for a proper educational program to be put across, rather than the frantic propagandistic shibboleths pronounced by various members of the cabinet rushing back and forth across Canada trying to explain a program to the people that they do not understand themselves.

[Mr. Hogan.]

The Prime Minister reminds one of a confused, scrambling quarterback who has suddenly changed signals in a hurry at the line with many members of his team not being at all clear what is involved in the carrying out of the new game plan.

There are many people who criticize the Canadian Labour Congress for setting up a fund which, among other things, will test the constitutional efficacy of this anti-inflation legislation. I think that rather than criticizing them we should be complimenting them.

It is not necessary to be a lawyer to understand that the anti-inflation legislation has been introduced by the federal government under its general constitutional power to enact laws for the peace, order, and good government of Canada. Even if the resulting guidelines interfere with the operation of provincial collective bargaining laws, the federal government claims the right to intervene. It has, however, refrained from applying the guidelines to provincial and municipal civil servants and employees of all provincial public bodies such as hydro commissions, school boards, and provincial Crown corporations, unless the appropriate province agrees that the guidelines will apply to them. Some question of the constitutional validity of this delegation of authority exists. The right of a province to give away its jurisdiction, as Ontario seems to have done with its agreement with the federal government, without passing enabling legislation is very much in doubt.

Let us turn to the economic reasons given for this program. One of the major economic pillars underlying the controls is the belief expressed in the budget speech of the former minister of finance on June 23, 1975. The former minister of finance said that inflation threatens to price our goods out of the world market. For weeks on end we heard the then minister of industry, trade and commerce continually using this argument in this House and outside. Since then there have been a number of cabinet ministers who have picked up this refrain. So embedded is this notion that the new deputy chairman of the Anti-Inflation Board, Mrs. Plumptre, at a recent meeting in Vancouver on October 30, 1975, insisted that this was a major reason for setting up the anti-inflation legislation, and I quote her:

● (1530)

Canada's international competitive position and ability to pay its own way in the world is being set back. We are pricing ourselves out of the market.

I underline the word "are". But the figures released by Statistics Canada at about the time Mrs. Plumptre was perpetrating a continuance of this mythology showed that import prices, which are not covered by the government's anti-inflation program, were rising twice as fast as Canadian export prices.

On a year to year basis the rate of increase was 14.5 per cent for import prices but only 7.5 per cent for exported goods. Of course these statistics were pretty damaging evidence against the mythology, for they tended to disprove the government's claim that high wage settlements were making Canada uncompetitive, and as Peter Cook of the *Financial Times* noted, this has been one of the main arguments for selling controls to the labour movement.

Moreover, it was just not a question of raw materials and resource products involved in the statistical revelations; the price of manufactured exports in the second quarter of this year, and these are the latest statistics we all have, were up 11.7 per cent from the same period last year, while imported prices on finished goods had increased by 20 per cent. So it cannot be argued that slower growth in export prices, as against our import prices, was just a matter of weak foreign markets for raw materials and resource products.

It is evident that on the basis of Statistics Canada price indices the terms of trade still favour Canada. I brought this matter up in a Finance Committee meeting with the Minister of Finance on November 3, and he stickhandled around the obvious evidence of the falsity of the claim of cabinet ministers and Mrs. Plumptre that we are pricing ourselves out of the world markets by saying, and I quote: "I think I would put it more on the basis of anticipation than actual fact." This might be acceptable legalese, but it is not good economics.

The truth of the matter is that there is no evidence for the conclusion that we are pricing ourselves out of international markets. I defy any hon. member opposite to give statistics from Statistics Canada which would reveal this. This evidence has to show up in the trade indices to which I have already referred.

What the Minister of Finance seems to be saying is that we are scared of this matter for the future, but if he is extrapolating from the present statistical evidence, he has no solid basis for his claim. It is more of an intuitive or alarmist type of attitude than one based upon solid, statistical or other economic evidence.

Another piece of shaky evidence which has been used in trying to defend the necessity of such controls is that wage settlements in Canada are well above those in the United States. However, as the Minister of Labour (Mr. Munro) noted in his recent speech in Newfoundland, some of the statistics used to paint labour as the villain in the inflationary process are dubious, and indeed, spurious. This comparison between Canada and the United States wage data is a prime example. The data I have seen shows that all wage settlements negotiated in the first three months of 1975 provided for future increases averaging 7 per cent in the United States and 16 per cent in Canada. What this data does not show is the possible future effect of cost of living allowance clauses.

In the first quarter 62 per cent of American workers with new settlements were covered by COLA clauses, while only 3 per cent of organized Canadians have such provision. Also, the data used for Canada, that is, the 16 per cent increase to which I referred, is calculated on the base or lowest rate of pay, while in the United States the statistics are based on average straight time hourly earnings of all workers.

A recent study by the Bureau of Labour Statistics in the United States, a summary of which was published in the *Monthly Labour Review* of the American department of labour, pointed out that if you take total compensation—not just for production workers, but for all employees—the difference in average compensation between the United States and Canada is even greater than the difference in compensation for production workers between the two countries. The compensation per production worker between the United States and Canada has, of course, narrowed over the last 10 years.

In this connection it should also be pointed out that collective bargaining settlements in the third quarter of 1975, before the anti-inflation legislation was introduced, show that the average annual increase in base rates in Canada had gone down 18.5 per cent in the second quarter to 16.8 per cent in the third quarter. These figures are based on an analysis of collective agreements covering 500 or more workers in industries.

On the question of industrial strife, as measured by strikes and the number of man-days lost, we have Statistics Canada figures which show that there were 5.2 million man-days lost in the first half of 1974, while for the same period in 1975, without any controls at all, this was reduced to 3.4 million, a 38 per cent decline in seven months, as the hon. member for Dauphin (Mr. Ritchie) noted when he was on his feet.

It is very difficult to get excited about the economic effects of this program as opposed to its political expediency. It is true that we hear people say that it seems something had to be done, but surely before we prescribe such serious medicine for a sick economy we must be fairly sure that we have a proper diagnosis.

The fact is, as our leader noted in his address today, that the prices of food, oil, gas, and mortgage rates for housing constitute some 60 per cent to 65 per cent of the ordinary cost of living of the average Canadian. The legislation we are asked to approve does not cover mortgage and other interest rates, which can be thought of as a price, that is, a price for money. Food, both the prices Canadian farmers may charge for their produce and the price of imported food, is not covered under this legislation.

As we know, within the past six weeks we have received the report of the Food Prices Review Board and Mrs. Plumptre on the profits of 78 food companies. The conclusion was that profits were far from excessive and hardly a factor in rising food prices. What, then, is causing high food prices?

Wholesalers and retailers will tell the Anti-Inflation Board what they told the Food Prices Review Board, that there are no excessive profits, and the consumers, who will still have to pay high prices for food, will be faced with a sort of "the devil made me do it" argument as an explanation for the continuing high food prices they will face. Again, oil and gas are not covered under the anti-inflation legislation. In short, the government is asking the wage earner to accept pretty full controls on his wage income, while being able to offer possible restraints, and I underline "possible", on only about 40 per cent or 35 per cent of his living costs.

Little wonder wage and salary people in the trade unions are less than happy with such an arrangement. They know of the enormous difficulty in controlling prices by means of controlling profit margins and the relative ease, on the other hand, to monitor and police the wage side. What about the poor and the working poor, who had the minimum in the wage guidelines waived after pressure from us and others, but who have no guarantee that they will ever reach the allowable level, since they have no formal bar-

gaining power, and in most cases have even less market power than in the past because of very high unemployment created by the policies of the Liberal government? In fact we have on an average, the highest unemployment which has existed since about the time of the last war.

I should like to say more on the serious matter of the level and composition of the unemployed as to region, marital status, sex, and age, but time does not permit. However, too many commentators are too ready to dismiss the seriousness of this problem for the individuals concerned and for the national economy.

Likewise I should have liked to take some time to discuss the failure of the government to place a surtax on the income of professionals, because that is symbolic of why we consider this program inequitable and unworkable.

The whole restraint program on control of pricing by means of control of profits has, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said on another occasion, more holes than Swiss cheese.

● (1540)

The Prime Minister has said that the New Democratic Party has long advocated selective price controls and now rejects them. That is not true. We would willingly support price controls which would control the price of key commodities in the consumer retail field, and intermediate goods, if the corporate sector of the economy could justify the price increases. Our method would be to have them justify the price increases before allowing them to proceed. This would be more equitable for everybody. Under those considerations we would not hesitate to demand the same justification for selective wage increases in these sectors if they were obviously against the public interest—just as Premier Barrett did in British Columbia. But in no case would we ask the wage and salary sector, and the ordinary working people, to make sacrifices that others could easily avoid, as is obvious in this present program.

The government insists on calling this not only an anti-inflation program but an incomes policy. But, Madam Speaker, the objective of an incomes policy is not just the control of inflation but increased productivity, less industrial strife, and a fairer distribution of incomes in the economy. The danger in this program is that while the government gives the appearance of having a decisive anti-inflation program, it may not only fail to halt inflation but may at the same time produce more unemployment and under employment. What we need is government action to create jobs, especially in the high unemployment areas of Quebec and the Atlantic region, and sections of it like hard pressed Cape Breton—not destroy them; action to build houses—not raise interest rates; action to improve the lot of those on low and fixed incomes—not penalize them, and action to help lower prices and not play a losing game with profit margins.

What the government needs to do is to begin to study in earnest the policies of certain western European countries such as the Netherlands, Norway, West Germany, Austria, Sweden, and Switzerland which have managed to keep inflation at manageable levels, unemployment at low levels compared to North America, the rate of productivity growth reasonably high in spite of the international crises, and a minimum of industrial strife.

[Mr. Hogan.]

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Madam Speaker, I have a great deal of difficulty understanding the complete opposition of the New Democratic Party to the anti-inflation program. It seems to me there are many things in the guidelines and in the anti-inflation program that that party should find easy to support, and I should like to look at some of them.

I think we should look back at a statement which was made many times, that we are accepting the policy introduced by the Conservative party and that it should have been introduced at least a year ago when they felt they could become the government. I think there are reasons why it was not introduced then, and good reason why it should have been introduced at this time.

The nature of inflation in the first half of 1974 could be termed demand inflation with rising prices being caused by shortage of goods. The shift to a cost plus inflation occurred subsequently, and is much more prone to limitation by controls.

At the time of the election in July, 1974, labour was definitely behind. Inflation had caused steep price increases, while wages had not risen comparably. Labour has had a successful year, but I argued early last summer that labour's gains were only catch-up gains and labour should not be blamed for inflation. Because a large part of the labour movement has been able to catch up, however, I think there is justification at this point for going into some kind of wage controls. I want to qualify this by saying there is also a great deal of inequity because significant segments of the trade union movements, of the working people of Canada, have not as yet caught up.

If the wage side of the controls is going to be successful, it will occur when there is equity. We cannot say to the person who got his settlement on October 15 that he cannot have as much as the person who got his on October 13. There has to be equity. The New Democratic Party would be better arguing for equity than for condemnation of controls.

I think we should look at the manner in which controls were brought about. I have heard the members of the NDP talk about those segments of our economy which basically create inflation, citing the Galbraithian theory, which I think is accepted by many other groups, that inflation is basically caused by that segment of the economy which can administer its own prices, while in the market segment there is a fair amount of competition and prices therefore tend to be regulated by the market itself. There is a fair segment of the economy which is self controlled, what Galbraith calls the planning sector. It was this planning sector which the guidelines were formed to control, those 500 large firms, many of which are able to accept increases in costs and pass them on as increased prices.

The government has been selective in saying that we will deal with these 500 companies in the so-called planning sector of the economy, those that can control their own costs and their own prices.

This, with respect, is precisely what the New Democratic Party has talked about ever since I came to this House—multinational corporations, etc. Here is a serious attempt to control that part of our economy which has not been

controlled in the past. I think, rather than fighting us on this, they should support us.

Some hon. Members: Hear, hear!

Mr. McRae: I indicated that I believe this price and incomes control policy will work only if there is equity. Many people have said we must be strong on the price side and I agree with them, but there also has to be equity on the wage side. I think the guidelines are set up to achieve this. If the New Democratic Party were really concerned about the situation, that is what they would be working on rather than opposing us.

There has been a catch-up of 16 to 18 per cent in this last year. It does not apply to all segments of the working population, however. There are some like the pulp and paper industry whose contracts go back to April, 1973, and who have not caught up. I think the guidelines are very explicit about cases such as this. They say that if a contract took effect before January 1, 1974, some catch-up or equity is in order. We cannot expect one worker to work for $1.70 an hour less than another person because the first in the woods division signed a contract in October 1974, and the other in the mill signed in November, 1975. The historical relationship is definitely in the guidelines. The program must be equitable. Only if the Anti-Inflation Board treats settlements equitably will the program work.

● (1550)

One thing disturbs me. Some companies in the pulp and paper industry are hiding behind the guidelines. They say to their workers, "We cannot give you a decent settlement because the guidelines will not permit it." That is not correct. I say that they should offer a decent settlement and present it to the Anti-Inflation Board, and if it is within the guidelines, including the historical clause, the board will allow it.

An hon. Member: If it is not greater than 10 per cent more.

Mr. McRae: More than 10% if warranted. It is wrong for these companies to use the government as a skirt behind which to hide.

Let us also see how the guidelines affect post office settlements. There are two major unions working in the Post Office. The Letter Carriers Union was offered and accepted a fine settlement. The minister worked hard on it, for he wanted to improve relations in the Post Office. As everyone knows, in parts of our Post Office there has been an atmosphere of fear and war between employer and employees. The Postmaster General (Mr. Mackasey) wanted to correct this and offered the letter carriers a fair settlement. They signed, effective January 1 past. The inside postal employees kept on negotiating. The Postmaster General offered them what he had offered the letter carriers. I suggest it will be a good and fair settlement, and meets all the tests of equity; and I am talking of equity for labour for the working man. I think that when the inside workers of the Post Office learn the full details of the settlement and vote on it, the strike will end.

I use the Post Office as an example, because the guidelines allow an equitable settlement. We shall bring about decent labour relations only if our workers are treated equitably. Certainly there must be provision for catch-up, as the government acknowledges. The government acknowledges that some portions of the trade union movement have fallen behind and have not received their catch-up pay. The government has not created a loophole. It wants to be fair, to be just.

Last summer I spoke strongly in this House about the need for wages to catch up. I say, however, that we shall be in serious trouble if, on top of a 15 per cent or 30 per cent increase this year, another 25 per cent or 30 per cent increase is granted next year. The increase is compounded. That is why I say that the controls should come into play now. An increase of 8 per cent is to be allowed, plus an addition to allow for any increased cost of living. For example, if the cost of living rises 9 per cent, the guidelines allow wages to go up an extra percentage point beyond 8 per cent. Thus the guidelines are designed to bring about long-term equity.

I am concerned about the pulp and paper industry. Four mills in my community are on strike, and I hope that a settlement occurs soon. I am particularly concerned, because a new Canadian union is involved, known as the Canadian Paper Workers' Union. In one of the very best moves in our society, the Canadian members of two international unions amalgamated their membership to form this large trade union, which is entirely Canadian. I wish the new union success as I think it is moving in the right direction. I ask the industry not to attempt to weaken this new movement.

Some hon. Members: Hear, hear!

Mr. McRae: Many members of the House, including members of my caucus, have expressed concern about how fair the controls are to the small man, the guy earning $4,000, $5,000 or $6,000 a year, and it has been suggested that the $600 ceilings should be raised. That is a good suggestion. My caucus also suggested that those earning less than $7,400—$3.50 per hour—should be totally excluded from the operation of the guidelines so that, for instance, people earning $4,000 could have their salaries increased to $6,000.

Mr. Broadbent: How are they to get the increase?

Mr. McRae: That will need to be worked out under other programs. We said that this suggestion should be incorporated in the guidelines to meet the criticism that the guidelines do not allow for substantial increases for people at the lower end of the income scale. It is now in the guidelines.

I suggest that the guidelines will be equitable. I do not think this program can be made to work if we treat the wage earner unfairly. That is why equity is so essential. The program must be fair, and it is. I support the guidelines 100 per cent, and I think the Anti-Inflation Board will make equitable decisions. Some hon. members should be more concerned about matters of equity than with trying to defeat the government's anti-inflation legislation.

Before my time runs out let me say some words about prices. It will be difficult to monitor all prices. I suppose a very massive bureaucracy could monitor the hundreds of

thousands of different price tags in the stores across the country; personally I think that is the wrong route to follow. I therefore hope that many of my colleagues, on both sides, will do as I plan to do. Let us, from our offices, monitor prices. Consumers, housewives, and others who buy commodities every day and price them every day can report to us. I plan to work with people who are concerned about prices, who shop in the major stores of the community, Loblaws, Dominion, Safeway, A and P, and others covered by the guidelines. I want consumers to report price increases to my office. I want my office to be the place where we can collect that information and, where necessary, bring this information to the board's attention. That way countless thousands of Canadians will be vigilant in monitoring prices, in watching for unjustified price increases, and in causing investigations to follow.

Some price increases concern me a great deal. For instance I am particularly disturbed at the prospect of the 41 per cent increase next week in freight rates. The CTC is supposed to be the body regulating freight rates but does not discharge its function in this respect. The railways merely file the new rates with the CTC, and that is the end of it. I think the government should be more vigilant; I think the freight rate increase ought to be referred to the anti-inflation board for full investigation and disclosure, because the railways of this country have never made full disclosure, and such disclosure is essential. I submit that the Anti-Inflation Board can affect freight rate increases and ought to consider the question as soon as possible as a matter of vital concern.

In summary I submit that the guidelines are intended to be fair, and the anti-inflation program worth while and well timed, considering that a significant proportion of this country's working people have in the recent past received significant wage increases.

● (1600)

The anti-inflation program can be equitable. I hope it will be. It will work equitably if those who had the catch-up get it. That is included in the guidelines. In the future I think we can have a much more stable and equitable economy.

I am concerned about the price side. If we mobilize the consumers of this country, individually and in groups, to support our program to prevent price increases, I think we can be effective. The anti-inflation program is a sensible effort to bring about some stability in this country, and as such should lie supported by all segments of the Canadian economy.

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, I rise with some sorrow to take part in this sad debate on this wintry afternoon. One always hates to see and listen to the sparrings of the recently divorced. We have heard it in what has gone on much of this afternoon, particularly the dispute with regard to the paternity of the individuals that have been spawned in terms of controls of varying kinds.

It is also sad to realize to what an extent the hon. member for Winnipeg North Centre (Mr. Knowles) has lost his position within the New Democratic Party. One knows that from his knowledge of the rules of this House he knows the workings of the democratic process. It passes the imagination that the NDP should bring in a motion that strains the rules to the point where the Speaker of this House was almost constrained to make a ruling, but chose simply to comment on the matter. One would wonder why because I am sure in the discussion in that caucus they had the advice of the hon. member for Winnipeg North Centre. They knew they were skating very close to the rules as we know them and have known them recently. Why then bring up this subject as the debate for their day in the House? The reason is transparently obvious. An election is on in the province of British Columbia.

Some hon. Members: Hear, hear!

Mr. Johnston: It is a winter election. I did not think I would live to see the day when a modern government in that province would call an election in December, January, February, or even March, yet one has been called for December 11. As I said, the reason is transparent. It is as transparent as the ice that will cover the highways as the voters struggle to the polls to cast their votes on that day.

One finds it surprising indeed that the government there, of the same party and the same name as the people who presented this motion in the House today, should have broken so many promises made to the people of British Columbia about the election itself. The campaign starts out littered with those broken promises. They were so important to the premier of the province that, on the very night he made his victory speech, he said two things would happen before there would be another election in British Columbia. One was redistribution and one was the re-writing of the election act.

The map of redistribution is ready. It has been prepared, drawn up, and was to be published on October 31. They said it was not publicized because of the technology. We now know what the technology was and we have an election being fought on an electoral map that is out of date. This was the government that promised to change the system and change the ways of elections in British Columbia. It did not make a further promise, but there was an assumption that there would be at least a four-year term because no party in British Columbia—

The Acting Speaker (Mrs. Morin): Order, please. I have been listening very attentively to the hon. member. He is straying a bit from the subject. Perhaps he could limit himself to the motion.

Mr. Johnston: Thank you, Madam Speaker. I am discussing the motion. It is important that this House know the reasons behind the presentation of this motion today. We know that in recent months in British Columbia there has been a desperate search for an issue on which to go to the people. This is very germane to what we are talking about this afternoon. It is vital to the democratic process of this country that the public know what we are talking about this afternoon.

Some hon. Members: Hear, hear!

Mr. Johnston: There is a lot more here than meets the eye. We know that last fall there was an attempt to use the Columbia River treaty as the basis for an election in

British Columbia. With some help from the CBC in showing a film called "The Reckoning" twice within six weeks, this was to be a plank in the NDP platform. Thanks to some very fast work by the former chairman of BC Hydro, who set the record straight—

The Acting Speaker (Mrs. Morin): Order, please. I must again interrupt the hon. member. Allow me to read the motion. Mr. Broadbent, seconded by Mr. Knowles (Winnipeg North Centre), moved:

That this House rejects the government's anti-inflationary program—

I ask the hon. member to limit his remarks to the motion.

Mr. Johnston: Thank you, Madam Speaker. With all due respect, I will continue because one of the issues that was to be an election issue in British Columbia was the failure of the federal government to act on inflation. Surely that is germane to the fact that we now have this motion in the House.

The reason for having this motion escaped the Speaker. He found it necessary to comment on it. With all due respect, Madam Speaker, I cannot see why, when the Speaker of this House earlier today was constrained to talk about the reason for this motion being on the order paper, I cannot talk about the reason for it being before us.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I rise on a point of order. Twice in this speech the hon. member has reflected on the Chair. The Chair asked questions about this motion, but ruled that it was in order. I submit for this hon. member to question that decision is a reflection on the Chair that he is not entitled to make.

Mr. Johnston: On the same point of order, Madam Speaker, not for a moment have I questioned the ruling of the Chair. Not for a moment have I questioned the propriety of the ruling. Obviously we are in a debate on this motion. I am talking about no other matter but this motion that the NDP felt constrained to present to the House today.

For a while it looked as though the back-to-work issue in British Columbia could be an election issue there, but the government moved and the unions did not provide the issue. We have heard a fair amount about strikes in this debate today.

When this very control program was initiated by those opposite, it met with a scornful reaction from the premier of the province of British Columbia. For a while it looked as though the very control program that we are debating this afternoon would be the issue for the election there. However, on casting around it was discovered that there was a fair body of support for it in the public opinion not only in the province of British Columbia but across the entire country.

Some hon. Members: Hear, hear!

Mr. Johnston: If there was any support for that program it was due entirely to the campaign run by the Progressive Conservative party and the leadership of the Leader of the Opposition (Mr. Stanfield) a year ago. It was a residue of that campaign which was unsuccessful then.

● (1610)

So we have this motion today. It speaks of controlling prices and effective control over incomes. And we note that in the Province of British Columbia in the last three years and several months the people have learned a great deal about government controls when initiated by that party, one which has beggared the forest industry, the great industry which British Columbia possesses; for the first time the industry is going to declare a loss position at the end of the year. What else? The Barrett government has stalled the mining industry in that province. Exploration crews have departed.

Mr. Knowles (Winnipeg North Centre): Order!

Mr. Johnston: It has frightened the agricultural industry through its attempts to back off the agriculture support program which was set up. This, surely, has something to do with price controls since it affects products which are very important to this land.

It has alienated the teachers, of all people, those to whom the success of the campaign in 1972 was owed more than to any other group. And it has frightened the ecologists. The premier of that province would dearly love to close down some mining activities but he doesn't dare because of the effect on provincial revenues. It has alienated the native people, lost the one native MLA who sat in the legislature for so long. It has lost $100 million in welfare over-runs which have never been explained. It has destroyed the automobile insurance industry and honoured the wrecking crew by appointing him its Agent-General in London. Thus we have a dismal history of controls in that province—

Mr. Knowles (Winnipeg North Centre): Order!

Mr. Johnston: —and a rather strange motion before us today whose timing must be questioned both by members of this House and by everyone who takes seriously the entire issue of controls which have been imposed by that government while federal controls are being challenged by that party, and while another set of controls have been imposed by a provincial government in this country of the same type. I cannot for the life of me see how I could possibly be out of order if I talk about controls as they are being applied in British Columbia.

Mr. Alkenbrack: Right on!

Mr. Johnston: We have a price freeze there, and an election called in the middle of it. I do not think there has ever been in the history of this nation a more deliberate attempt to blackmail the public than this calling of a winter election in the middle of a 68-day price freeze.

Mr. Knowles (Winnipeg North Centre): Order!

The Acting Speaker (Mrs. Morin): Again I must remind the hon. member that he is straying from the subject of the motion.

Mr. Johnston: Thank you, Madam Speaker. It is not for me in my wisdom, or lack of it, to predict the result of the forthcoming election, although I see some attempts being made from that corner to second guess me. I shall not

comment further on that aspect at the present time. However, I will say it is transparently obvious that the S.O.S. has gone out from the Province of British Columbia. The situation of the government there is desperate. They have said to their colleagues here, "Help us out; we have only got until the 11th and we've got to do something." And so we have a motion before us today.

I felt other speakers would have raised some of the points I have made this afternoon but I realize that British Columbia is a long, long way from this chamber, and unfortunately many of my colleagues from that province are not present this afternoon. In these circumstances I felt somewhat constrained to provide some background because we shall be voting on this motion later. The leader of our party has already indicated that he is not prepared to support the motion, and I feel that if I have done anything in the brief minutes at my disposal I have said some of the things that needed to be said. Although I realize I could go on a little longer, I yield the floor now with the record a little straighter as to why this unusual motion should have been presented at this time.

Some hon. Members: Hear, hear!

Mr. Herb Breau (Gloucester): Reading this motion, Madam Speaker, one might ask whether the leader of the New Democratic Party (Mr. Broadbent) in whose name it stands has read the white paper issued by the government on October 14. He told us the government's anti-inflation program was totally unworkable in terms of controlling prices. That remains to be seen. He said it provides no effective control over profits or professional incomes. I should like the leader of the NDP to read pages 16, 17, 18 and part of 19, and then tell me why he believes there is no effective control over prices or professional incomes.

Mr. Knowles (Winnipeg North Centre): Because he has read those pages, that is why.

Mr. Breau: I did not hear anything in his speech today to convince me that this kind of system cannot work. I shall have something to say a little later about controlling prices. He maintained that the program was unfair to wage and salary earners in Canada. That is one aspect I wish to deal with this afternoon because when people talk about wage and salary earners they normally think about unions, the labour movement, and workers generally.

It has always amazed me that the NDP, a party which until the last election had never succeeded in electing a single member east of the Ottawa Valley—they have got one now and, knowing his background, I hope he will be able to bring the party to reality and show them that when they talk about people, and when they talk about workers, they should not talk only about labour unions and giving the people who rule them more power in the economy—

An hon. Member: Right out of the ocean.

Mr. Breau: Because of my background, and because of what has interested me in politics, I am concerned with people, particularly with those who are the weakest, those with low incomes, and I must say that, apart from rhetoric, since I entered this House in 1968, and apart from supporting some social programs which do help the little people in society, on the question of wages or salaries the NDP is not the only party, not necessarily the sole bright light in fighting for those who are weak.

I understand that when one comes from a certain constituency one tends to speak in terms of the interests of those constituents. I remember the crusade the hon. member for Oshawa-Whitby (Mr. Broadbent) carried on in 1970, 1971, and 1972 against the Department of Regional Economic Expansion when that department was just starting out; he would look for cases involving incentives in the Atlantic provinces and elsewhere and try to dramatize them and exaggerate them without giving the program any kind of a chance. Because it was popular with the UAW and popular with workers in Toronto and some other areas close to his constituency, he carried on his crusade against that program.

• (1620)

Mr. Broadbent: I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Morin): Order. Is the hon. member rising to ask a question or to raise a point of order?

Mr. Broadbent: I hope that the hon. member will correct the impression that he has just left.

The Acting Speaker (Mrs. Morin): Order, please. That is clearly a point for debate, not a point of order.

Mr. Broadbent: Madam Speaker, I had not yet come to my point of order.

The Acting Speaker (Mrs. Morin): Is the hon. member rising again on a second point of order?

Mr. Broadbent: I should like to express the first point of order. My point is that motives ought not be attributed to members of the House on either side. The hon. member was attributing motives to things I have said in the past, which I submit is out of order. Secondly, if he checks the record of the Department of Regional Economic Expansion he will discover that his own minister acknowledged the errors in the program to which I drew attention. The point he made about the motives behind the objection is of the kind that I would not have expected of a man with his experience in the House.

Mr. Breau: Madam Speaker, first of all I totally and categorically reject the suggestion that I attributed motives. I was reflecting on the reason why the hon. member would normally take a certain stand on a particular program of the government. I agree that in some cases the Department of Regional Economic Expansion has not been a total success.

Mr. Broadbent: In every case I cited they have not.

Mr. Breau: The irony of the situation is that the particular case that the hon. member dramatized and exaggerated, the Michelin case, has been the most successful part of DREE. The hon. member is a national party leader so I will give him a chance since he is just starting out. If he were up to date he would know exactly what the problems of

DREE have been. But from the speeches he has made in this House and elsewhere I have concluded he is not even close to understanding the real problem of regional development, though I hope he will learn.

He tells the House that he would have a national development program. I will wait and see what answers he will have regarding regional development. The point I want to make is that this anti-inflation program hits the powerful in society. That is obvious. Anyone who reads the white paper would realize what this attack on inflation does. The motion says that it is completely unfair to wage and salary earners. Yes, it will be unfair to some wage and salary earners. It will be unfair to wage and salary earners who are members of a big union, and whose big union has been wielding economic power in the last few years.

I do not bitch about that, Madam Speaker. There is nothing wrong in a free society with people trying to obtain economic power. When the leader of the NDP talks about the program being unfair to wage and salary earners in Canada, he is right. It is unfair to those who are represented by economic power groups that are bargaining in society for a bigger share of the national income.

As for the wage and salary earners who are unorganized, who are not members of a big powerful union—and there are less of those in the constituency of Oshawa-Whitby than in the maritimes, for example—if the situation had been left as it was without controls there is no way the hon. member for Oshawa-Whitby, or any other member, could convince me that these wage and salary earners would have caught up. The leader of the NDP knows that. The UAW and other big unions would have got better settlements from their employers. So would CUPW and CUPE.

Mr. Broadbent: The unorganized will get nothing from this program.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Remember this is your opposition day.

Mr. Breau: The leader of the NDP should really not get so upset, because on some matters I do not disagree so strongly with the NDP. I do not disagree with them when they talk about redistributing income. But when that party tries to exploit the situation by saying that because the program deals with the economically powerful in society, the powerful unions, it will hurt all wage and salary earners, this is just not true.

What I should like the leader of the NDP to tell me, in the context of this program or any program that attacks inflation, is how he will—

Mr. Broadbent: I would tax the corporations, that is how.

Mr. Breau: The hon. member should know that I am further from the corporations than he is. In New Brunswick, when one buys a car it does not matter who exploits the buyer on the price of the car; whether GM or the UAW, it is still exploitation.

Some hon. Members: Hear, hear!

Mr. Breau: When the members of the NDP, with whom I sometimes agree, start talking about how this program will hurt the low income wage and salary earners—when in fact it will hurt the powerful unions in society—I just do not follow the argument. What I should like the hon. member for Oshawa-Whitby to tell me is how he would devise a program of controls in the context of the kind of program we have today. He is an economist and he knows the problem. How would he give more to the low income wage earner?

Mr. Broadbent: Ask Lalonde what he was trying to get through to the cabinet.

Mr. Breau: I would expect the leader of the NDP to tell me what he would do. Perhaps he will learn to be a true leader and not heckle a poor backbencher like me. I should like to try to find a way to help people on low income in times of inflation, and that is the reason I am in politics. I should like to have a better distribution of wealth in society, in my particular region, all over the country, and even all over the world.

While I have nothing against the fact that in a free society one should be able to bargain to get more, and while you have checks and balances in bargaining, threatening, saying you will go on strike and so on, there are a lot of people in this country who cannot do this. The leader of the NDP says that if we let the labour movement get what it wants this will somehow benefit the low income wage earner. He is an economist and is experienced in politics, but this argument does not make sense to me at all. It is all very fine to let certain groups attain power; but if they use it in a way that raises the price of products so that people in some sectors of the country cannot afford to buy them, it is not helping these people at all.

Therefore I agree that the anti-inflation program will possibly hurt people of low income; but without the program of controls those people would have stayed where they were. The big settlements would have gone to the big unions, and the hon. member knows that. The fish cutting workers in my constituency, the lumbermen in the sawmills—

Mr. Broadbent: You are sounding more like Mackasey every day.

● (1630)

Mr. Breau: I am glad the hon. member admits I am making sense. The Leader of the NDP says I sound like the Postmaster General (Mr. Mackasey), who I think will go down in history as a great Canadian.

Some hon. Members: Hear, hear!

Mr. Breau: I was saying that the lumbermen, the pulpwood cutters, and fish cutters in my constituency would not have obtained a bigger settlement if this program had not been in existence. Those workers would have received the same settlement they are now allowed. If a situation should develop in which that is not the case I will be the first one to agree with the leader of the NDP that the program is unworkable. However, just because it hits the UAW, CUPW, and other big unions in Canada I am not

going to go on a rampage and say I disagree with the program.

Let me now refer to this question of effective control over professional incomes by the provinces. If an honest and reasonable person reads pages 16, 17, 18 and 19, and understands something about the business world and the economic system in this country, he will have to admit that this program will work if given a chance. If it should not work we will then try something else. Short of a utopia, or a society in which everything is right from the start, I do not see how anyone could devise a program that would be more equitable and with more safeguards against abuse than this program.

I said earlier I would come back to this question of controlling prices. Like others I would like to hit on an idea or devise a system in which we could control prices completely in Canadian society. I would very much like to see that. The fact is that if we want to maintain the system now in existence, if we do not want an overly centralized system or an overly bureaucratic system, we will have to maintain some degree of economic freedom. I do not see how we could devise a program under which we would be able to control prices and increases 100 per cent. We have to depend on economic agencies in our society. We have to depend on labour unions, and I am sure they will be reasonable. We must depend on all these people to help make this program work.

To say that in Bill C-73 there are no powers to investigate dramatic price increases is just not to know the facts. The hon. member for Oshawa-Whitby suggested that Liberals do not like to be confronted with the facts. Let me suggest that he again read Bill C-73 and the white paper. In those documents he will find set forth the powers of the anti-inflation board.

Mr. Broadbent: You should read what I said.

Mr. Guay (St. Boniface): He doesn't want to understand it.

Mr. Breau: I listened to every word said by the hon. member for Oshawa-Whitby, just as I always listen to what he says. I do not always agree with him but I always listen to what he has to say.

Surely there are sufficient powers in this bill that when there is an excessive price increase in some sector of our economy we can investigate and order a rollback of prices. To suggest that this program will not work is really to try to sell that kind of dogma and doctrine that only the NDP is able to sell in some parts of the country. This program is worth giving a chance. We have had experience in this country in respect of price increase investigations, and we have seen the experience of other countries where investigations of some sectors of society have been carried out in order to control wages.

I admit that it is more difficult to control prices. It is easier to check payrolls than it is to check prices of goods on the shelf. I regret that, and would like to be able to devise a system which would allow us in this economy—I see that my time has expired.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member's time has now expired.

[Mr. Breau.]

Mrs. Holt: Madam Speaker, I rise on a point of order. In the fall of 1974 the members of the NDP disappeared from the House, leaving one person behind to call the Speaker's attention to the lack of a quorum. Some 42 of us were attending committee meetings, but not one NDP member was in attendance. Today is an NDP opposition day, and look at them. They number four, with one standing behind the curtains drinking coffee.

Some hon. Members: Oh, oh!

The Acting Speaker (Mrs. Morin): Order, please. That is not a point of order.

Mr. David Orlikow (Winnipeg North): Madam Speaker, in July, 1974, the people of Canada had an opportunity to vote in a general election. The main issue which developed during the campaign, an issue on which the people really decided how to vote, was really the suggestion by the Convervative party that inflation in Canada was so serious that what was required to stop the inflationary spiral, so adversely affecting all Canadians, was a 90-day wage and price freeze, following which a Conservative government would work out an incomes policy.

At the time the Prime Minister (Mr. Trudeau) opposed a wage and price freeze, saying it would not work. He said inflation was an international occurrence that could not be stopped or controlled by any one country. The people in Canada by the thousands deserted the Conservative party, and to some extent the NDP, and elected, particularly in Ontario, Liberal member after Liberal member. They voted this way on the basis of the Prime Minister's promise to oppose wage and price controls.

Some 15 months later the Prime Minister, elected on his promise not to impose wage and price controls, comes to the Canadian people and says we must have those controls. He may be right. The situation may have changed, but neither he nor his ministers have yet explained to the satisfaction of the Canadian people what that change has been. Those trained seals who sit behind the Prime Minister, many of whom were elected on the basis of his promise to oppose wage and price controls, expect us to keep quiet and fall in line as they have done. We were not elected as Liberals and we are not obligated to the Prime Minister. We intend to keep asking the same kind of questions we were asking last year.

We have attempted, here in the House and in committee, to find out from the Minister of Finance (Mr. Macdonald) what the inflationary problem is. We know that in the last year the cost of living has risen by 10.5 per cent. We have asked the Minister of Finance what his experts have told him they expect inflation to be in the next year. We have asked why the government thinks the situation is so serious it has to bring in legislation the like of which we have never seen in Canada in over 100 years, except during wartime. We have asked the Minister of Finance what he expects the anti-inflation program will do, and what the rate of inflation will be after the implementation of this program.

The Minister of Finance has completely rejected all invitations to inform the people about the estimates his experts have made. I think he owes it to the people of Canada to tell them what the situation is. After all, he is

proposing controls on all Canadians the like of which we have never seen except during wartime, yet he is refusing to tell us what the situation is, or is expected to be.

Some of us with some contacts have made some inquiries. I have before me the estimates made by a very respected non-partisan and non-political institute, namely, the Institute of Quantitative Analysis of the University of Toronto. Let me place on the record the kind of estimate they made with the help of their computer. Their computer is similar to that used by the Department of Finance.

● (1640)

They estimate that the cost of living for the next year, without the anti-inflation program and the controls the government proposes, would have risen from the 10½ per cent increase we had in the last year to 11.3 per cent in the coming year. I do not think that is the kind of increase which would necessitate the almost war action the government is proposing.

Let us look at what they tell us the increase in the cost of living will be in the next year with the control program. As a result of this tremendous interference in the lives of the ordinary citizens of Canada, what will the increase in the cost of living be in the next year according to the University of Toronto Institute of Quantitative Analysis? Will it be, instead of 10½ per cent, 5 per cent, 7 per cent or 8 per cent? In other words, will there be a substantial reduction in the cost of living? According to the Institute of Quantitative Analysis the increase in the coming year will be 9.6 per cent.

After all the mountain of effort we will have a mouse-like decrease in the cost of living of less than 1 per cent. But the hon. member for Gloucester (Mr. Breau), the Prime Minister, and the Minister of Finance say that the people they want to protect, the people who need the assistance, are not the businessmen, the professional people or the organized workers because they can look after themselves. That is what the hon. member for Gloucester said, and he is right. The organized worker will get the 10 per cent which the government says is the maximum he can get. Of course he will get it because he has the economic power. But what about the poor and the unorganized workers whom the hon. member for Gloucester said will be helped by this program?

Mr. Breau: I did not say that.

Mr. Orlikow: I have in front of me a table prepared by Statistics Canada which shows the percentage of the gross national product each fifth of the population has received for the last 25 years. These figures are very interesting because they answer, I think very well, the simple question asked by the hon. member for Gloucester—what happens to the poor people?

Let us go back 25 years. In 1951 the bottom one-fifth of the people in Canada, the lowest 20 per cent of the workers, received 4.4 per cent of the gross national product.

An hon. Member: Quite a few of them were in New Brunswick.

Mr. Orlikow: Yes, and also in Newfoundland. What did the top 20 per cent receive? They received 42.8 per cent. In 1974, 25 years later, again under a Liberal government, the bottom 20 per cent, after all the so-called programs to help the poor people, received .4 per cent less than they received in 1951. What did the top 20 per cent get? They received 42.4 per cent.

I want to place on the record two other very interesting figures. I refer to the figures for 1971 and 1972. That was the last time the Liberal government tried, it said, to do something about inflation and to help the poor people. That is the time John Young and his incomes board were working. What did they accomplish? Here is the record. In 1971 under a Liberal government, with the same Prime Minister, what did the bottom 20 per cent receive in respect of the gross national product? Instead of the 4.4 per cent they received in 1951, they received 3.6 per cent in 1971. What did the top 20 per cent receive 20 years later in 1971? They received 43.3 per cent of the gross national product.

In 1972, while John Young was still charging on his white charger, the bottom 20 per cent received 3.8 per cent of the gross national product while the top 20 per cent received 42.9 per cent of the gross national product. That is an indication of how much the Liberal government and the Liberal Party care about the poor people. Liberal members and the Minister of Finance say—although they originally said that the people at the bottom could get $600 and the people at the top $2,400—in terms of an increase they have looked at it again, have found they made a mistake, and are now giving the people at the bottom $750. How can the people at the bottom get a cent? They are unorganized. How does a woman working as a waitress on Sparks Street get that $750?

An hon. Member: What would she get without the controls?

Mr. Orlikow: I was coming to that. She would get precisely the same wage she is getting now. What we propose, what we proposed the same night the Prime Minister outlined his anti-inflation proposal, and what we have proposed every day since then, and what we are saying to the provincial governments is let the provincial and federal governments get together and bring in legislation to increase the minimum wage. If we are concerned about the people at the bottom that is the way to bring up their income.

I do not say that the minimum wage should be the $4 that I believe has been proposed by the Canadian Labour Congress, but how about a straight 50 cents an hour increase in all jurisdictions, federal and provincial? This is what we should have if we are worried about the poor people. This is a concrete proposal. I will wait for the hon. member for Gloucester to propose that to the Prime Minister and the Minister of Labour (Mr. Munro). I will make this proposal to the government of Manitoba.

The people at the lowest end of the income scale are not organized. They have no economic power and are at the mercy of their employers. I do not intend to be critical of their employers as individuals because they are engaged in a cut-throat business where, if they increase their wage rate, they are in difficulty unless their competitors do the same. However, an increase in the minimum wage rate would mean that every person at the bottom, including

every employer, would be treated in the same way. It would not hurt anyone very much. This is what the hon. member for Gloucester was talking about quite eloquently. I hope he meant it seriously. I suggest that this is a quick way to help the people at the bottom.

We are told we are in a crisis situation and must have restraint. We are told that people should not receive an increase of more than 10 per cent, and that if we do this everyone will be treated fairly. I have in front of me a news story which appeared in the Montreal *Gazette* of October 23, 1975. I wish to read, for the benefit of the hon. member for Gloucester and others, a few sentences from this. It is datelined Ottawa. It reads:

> Salary scales of about 1,150 senior public servants were raised between $2,000 and $6,000 a year on Sept. 4 retroactive to last April 1, . . .

Then further on:

> Also affected were about 350 in level 2, the next highest group, 140 in level 3 and about 10 executives in level 4 at the top of the pay scale.
>
> Salaries for senior executives range between a minimum of $27,500 in level 1 and a maximum of $54,000 in level 4.

● (1650)

I think there is something immoral about senior public servants drawing in the neighbourhood of $50,000 per year, sitting down with policy advisers to the Prime Minister and saying that they are in a real serious situation, suggesting limiting the amount anyone's income can be increased in the next year to $2,400, and ignoring the fact that they just received their increase. If the government was serious it should have set an example. If those at the top of the civil service can receive an increase of $5,000 or $6,000 per year, how can we ask others to limit themselves to $2,400?

Some hon. Members: Hear, hear!

Mr. Orlikow: It is not my responsibility to fight the battles of any particular group. I am not going to discuss now whether the postal workers are asking for too much or just enough, but I will ask a very simple question: how can we say to the postal worker that he is asking for too much when we have permitted people at the top to receive increases of $5,000 and $6,000 per year?

Let us consider the whole question of restraint. We have said that it is easy to control wages and salaries, and the hon. member for Gloucester is correct when he says that the organized worker will look after himself. If the limit is 10 per cent, the organized worker who receives $10,000 will receive his $1,000. The organized teacher will receive his $2,000, $1,500, or whatever it is. The nurse will receive a large increase.

There is nothing in the white paper, nothing in the speeches made by the minister, and nothing in the discussions held in the finance committee which would give the slightest indication that the government has really worked out a program which will control the incomes of professional people. In answer to questions today the minister said that he is working with the provinces and that he expects they will come to an agreement. We know for a fact that more than one province has said to the minister that this program will not work unless the federal government is prepared to put a 100 per cent surtax on net increases over $2,400 per year.

Of course the provinces will sit down with doctors and work out fee schedules, and of course the provinces can say that they will not increase the rates of fees which are paid, but there is nothing to prevent doctors from seeing more people and doing more work, in which case their income would go up.

If a province were to try to implement a surtax there would be nothing to prevent a doctor from moving from one province which imposed a surtax to another province which did not impose a surtax. That is why some of the provinces have asked the Minister of Finance and his officials to agree to a surtax. I know for a fact that up until now the minister and his officials have simply and completely rejected the idea. That being the case, the claim that the government is being equitable is false. It has no intention of controlling the income of the doctor, the lawyer, the architect, the engineer, and on down the list.

I do not believe this program can work at all. It is the wrong kind of program at the wrong time. Surely one does not have to be overly bright to realize that this program does not have a hope in hell of working if ordinary people do not believe that it is being operated equitably. I say to hon. members opposite that if the ordinary citizen in this country thinks wage and salary controls are for him but not for people in the upper brackets, he simply will not accept them. We will have more strikes than ever before because ordinary people do not believe this is equitable.

It is interesting to note who is doing the striking so far. It is not the long organized blue collar workers. They have not been on strike. Possibly a few of them have been on strike since this program was inaugurated, but who is on strike? Teachers, nurses, and the kind of people who, until a few years ago, would have recoiled in horror if anyone had suggested for a moment that they were part of the labour movement or the working class, are those who are now on strike.

I do not have much time left, but I wish to say that what I have said about professional people is just as true for corporations. A senior official in Revenue Canada at a meeting a week or so ago spelled out in detail how corporations, and particularly multi-national corporations, can juggle the books, how they can allocate supposed costs to different aspects of business, how they can move hundreds of millions of dollars and how they have the staff to do it, and Revenue Canada does not have the staff to control it. These companies will increase their income and their profits. The ordinary person will be restricted, and those at the bottom will do even worse in the next year than they have done in the last year. For all those reasons it is our intention to oppose this legislation and to support this motion.

Mr. Breau: Madam Speaker, would the hon. member permit a question?

The Acting Speaker (Mrs. Morin): Will the hon. member for Winnipeg North (Mr. Orlikow) allow a question?

Mr. Orlikow: Go ahead.

Mr. Breau: Given the fact that many of the products which people at low income levels—low wage earners

which the hon. member mentioned, such as waitresses in restaurants—must purchase are manufactured by the manufacturing industry in Canada today, 80 per cent of which is centred in two or three large areas, and these two or three large centres, fortunately for Canada, have powerful unions and those workers can look after themselves, and if these groups are controlled and inflationary pressures are lessened, does he not agree that when they buy products low income earners elsewhere will benefit from this program?

Mr. Orlikow: I would give a good deal more thought to the question of the hon. member if he had expressed the same concern in the years 1972 to 1974 when corporation profits doubled, and when he and his government sat and said that that was a good thing. They should not now be saying that wages should be controlled.

Some hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mrs. Morin): It being five o'clock, it is my duty, pursuant to the order made on Thursday, November 13, 1975, to interrupt these proceedings and forthwith put every question necessary to dispose of the motion now before the House.

[*English*]

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to special order of this House made yesterday, a recorded division on the proposed motion now before the House stands deferred until 9.45 p.m. on Monday, November 17, 1975.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: I should like to ask someone on the government side about the business for Monday. I understand we will be completing Bill C-58 under the order for closure which was made, but will we be then proceeding with the government annuities bill first, or with Bill C-20? Does anybody know?

● (1700)

Mr. Drury: Madam Speaker, we will be proceeding on Monday and hopefully conclude proceedings under Bill C-58. I am not sure whether it will be the government annuities bill that comes first or the unemployment insurance bill.

Mr. Knowles (Winnipeg North Centre): Obviously it will not be unemployment insurance; that is in committee. The information given to me was that it would be the annuities bill, Bill C-75.

The Acting Speaker (Mrs. Morin): As it is now five o'clock this House stands adjourned until Monday at two o'clock, pursuant to Standing Order 2(1).

At 5.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 17, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

PROPOSED VOTE BY SECRET BALLOT ON GOVERNMENT OFFER TO SETTLE STRIKE—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to move a motion of pressing and urgent necessity under the provisions of Standing Order 43. I have given the Postmaster General (Mr. Mackasey) and the government House leader notice of this motion. As Canadians have now been denied postal service for 28 days and as the CUPW has denied its membership the right to a secret vote on the government's final wage offer, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House urges the Public Service Staff Relations Board to direct the Canadian Union of Postal Workers to take a poll of its membership by secret ballot on the government's final wage offer, and that such a vote be supervised by the Canadian Labour Congress.

Mr. Speaker: Order, please. The provisions of Standing Order 43 require the unanimous consent of the House for the presentation of this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There being unanimous consent, I shall put the motion. It is moved by the hon. member for St. John's East (Mr. McGrath) and seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House urges the Public Service Staff Relations Board to direct the Canadian Union of Postal Workers to take a poll of its membership by secret ballot on the government's final wage offer, and that such a vote be supervised by the Canadian Labour Congress.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Broadbent: Mr. Speaker, I rise on a point of order.

Some hon. Members: Too late!

Mr. Broadbent: Mr. Speaker, I am sure that when the motion was moved, because of the usual commotion at the commencement of proceedings Your Honour failed to hear any objection to this motion.

An hon. Member: No, no.

Some hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, could the question be put again?

Mr. Speaker: Order, please. This is a most serious problem. If an hon. member alleges that he or others close to him withheld consent to the motion, and I missed that, it is a most serious situation. Previously, in such circumstance, the Chair has put the question a second time if it had been suggested that consent had been withheld. There is nothing dangerous about that precedent. When an hon. member has indicated that the Chair has missed a negative or dissenting vote cast either by that member or someone close to him, that has been sufficient for the Chair in the past. If this is the case, may I ask again if there is unanimous consent? Pursuant to Standing Order 43, the motion I just read can only be put with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Broadbent: No.

Some hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—REPLY OF CANADIAN LABOUR CONGRESS TO SUGGESTION SECRET BALLOT BE TAKEN ON GOVERNMENT OFFER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct my question to the Postmaster General who last week indicated he had sent a communication to the CLC regarding a vote on the government's proposal. Has the Postmaster General received a reply from the Canadian Labour Congress indicating that it is preparing to encourage the union in question to hold a secret vote on the government's final offer?

● (1410)

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I recall last week replying to a telegram from the Canadian Labour Congress urging renewed bargaining and so on. I did reply, as the Leader of the Opposition states, asking the CLC to urge the Canadian Union of Postal Workers, who are members of the CLC, to hold a secret ballot to see whether the government's final offer was acceptable. I went further to suggest that the CLC supervise the vote. So far, I have not had any reply.

Oral Questions

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON TAKING SECRET BALLOT ON FINAL OFFER

Hon. Robert L. Stanfield (Leader of the Opposition): Last week the Postmaster General indicated he was prepared to at least give consideration to establishing some mechanism for a secret ballot on this proposal. Has the government reached any decision with regard to this? How long does the Postmaster General propose to allow the tie-up in service to continue before he makes a decision with regard to this matter?

Hon. Bryce Mackasey (Postmaster General): As we heard earlier, Mr. Speaker, there has already been overwhelming opinion in the House, not from all parties—

Mr. Baldwin: From the democratic, not the New Democratic.

Mr. Mackasey: —suggesting that this democratic right be provided to the workers as it is in civic, provincial and federal elections. As to when the government should move, as the hon. member knows, this is a very difficult question. It is a question of weighing the democratic right of the workers to remain on strike against the public interest. In a matter of several weeks, the House might be seized with the debate on the issue as to whether we have reached that particular point.

Mr. Stanfield: Mr. Speaker, I do not think I was clear in the question I put to the Postmaster General. He had difficulty understanding it. I will put it to him in this way. The Postmaster General and members on the government side having indicated a few minutes ago that they favour a secret ballot or vote being taken under the direction and supervision of the Public Service Staff Relations Board, does the minister and the government propose to do anything about this?

Mr. Mackasey: The reason I favour it is because of the clear distinction between the government and the Public Service Staff Relations Board which is an independent body set up to supervise and administer industrial relations within the public service. This body is independent of government. Therefore, if it were to propose or initiate this move, we would frankly be free of any charge of interfering in the democratic rights of a particular union.

STRIKE OF INSIDE WORKERS—CONSIDERATION OF NEEDS OF SMALL BUSINESSMEN

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I wish to direct a supplementary question to the Postmaster General. In answers on Friday of last week, the Postmaster General claimed that he placed greater value on democracy than the hon. member for Vancouver Quadra. He explained how business and other people were keeping the mail moving. What consideration is the minister giving to the democratic right of the unheard majority of Canadians who cannot afford courier service for their postal needs and cannot afford to communicate their needs to the government by telegram?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I have great sympathy with the question the hon. member has posed. It is all a matter of judgment—we cannot become too technical. It is an exercise which has to take place periodically when there are strikes on the railways, on the waterfronts and post offices when the private rights of individuals become public wrongs, and any government has an obligation to take action. It becomes a matter of judgment as to just when that moment is appropriate, and naturally the government would prefer to err on the side of caution in denying the rights of workers to be on strike legally as long as we can tolerate the effects without any real visible damage to the economy in general, though knowing fully well the impact on the fortunes of certain individuals.

[Mr. Mackasey.]

STRIKE OF INSIDE WORKERS—ALLEGED RELUCTANCE OF GOVERNMENT TO RESUME NEGOTIATIONS

Mr. Bill Clarke (Vancouver Quadra): Since the government has asserted that any wage settlement which exceeds the government's wage guidelines will be subject to approval by the Anti-Inflation Board, and since the union has stated its desire to return to the bargaining table, can the Postmaster General tell the House why he shows such reluctance to resume negotiations as evidenced by his statement last week that there is nothing more to negotiate?

Some hon. Members: Hear, hear!

Hon. Bryce Mackasey (Postmaster General): Before our socialist friends get excited, they should be making noises against Mr. Barrett who has legislated all labour legislation out of existence in his province. I have not said there is nothing left to negotiate. I said there was nothing left to negotiate in the $1.70 area or in the length of the contract. There may be other issues of a non-monetary nature which can be negotiated. Reading the newspapers and listening to television one gathers the impression that there seems to be a change of heart on the part of the union in the last day or so; they have indicated to the press that they are prepared to resume negotiations and we are prepared to do the same thing as long as it is fully understood that $1.70 is the limit they can possibly achieve in a 30-month settlement.

Some hon. Members: Hear, hear!

STRIKE OF INSIDE WORKERS—POSSIBILITY OF NEGOTIATING CHANGE IN COLA CLAUSE

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Postmaster General. Can he expand the answer he just gave, particularly the statement that the government is not prepared to move any further on monetary issues? Does this mean, for example, that the government will make no change in its present position on the COLA clause question?

Hon. Bryce Mackasey (Postmaster General): We could not morally do anything with regard to the COLA clause by reason of the fact that it exists, or would exist in this collective agreement, only because it is in the letter carriers' agreement. More important, it is exactly the formula recommended by the chairman of the conciliation board, a man who was chosen by the union. I do not know anybody

more qualified to judge what is a fair COLA clause than the chairman of the conciliation board who is a judge of the superior court chosen by the union in question, and I am guided by his judgment.

Some hon. Members: Hear, hear!

Mr. Broadbent: That item is only one of a number of other recommendations which were made; the government has not accepted all the others either. The minister well knows that the union might, for example, accept a COLA clause decision from the government—I say "might"; I have no private knowledge the minister does not have—in lieu of certain other considerations which they also have in mind. I should like to repeat my question because I am not sure of his answer. Is the hon. gentleman saying the door is shut on the COLA clause issue?

Mr. Mackasey: On the COLA clause issue, yes. I would also say to the hon. gentleman, who understands these matters just as well as I do, that I am at a loss to understand why the union should think that a vote, or even acceptance of the government's offer, would involve a loss of face having regard to the fact they were able to negotiate the only contract in the government which provides full job security and maximum security against the adverse effects of technological change, which, according to the union, was the prime issue. This question has now been negotiated, it is initialed, it is a *fait accompli* and we must now ask ourselves how much the government can concede, even in the non-monetary area, while still maintaining managerial control over a service the people of Canada expect and with regard to which we have an obligation to retain managerial control and not cede it to certain union leaders.

Some hon. Members: Hear, hear!

● (1420)

STRIKE OF INSIDE WORKERS—POSSIBILITY OF APPOINTING MEDIATOR

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. May I ask the Prime Minister the following question. Given the importance of this issue, both in terms of the public's right to mail service and the union's right to strike when it is provided by government legislation, and given the fact that the negotiations clearly seem to be at the point of breakdown, with the negotiators on neither side seeming to be prepared to make a move would the Prime Minister give consideration to discussing with both sides the acceptance of a mediator in the circumstances?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, it seems to me that the conciliation report, which is one that both parties have had time to examine and one which, I repeat, seems very reasonable in terms of its recommendations, is the step at which we should stop at this point.

[*Translation*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—GOVERNMENT ACTION TO AVOID GENERAL STRIKE IN QUEBEC IN VIEW OF UNION POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

Considering the position taken by the common front of unions especially in Quebec and that individuals such as Laberge, Pépin, Chartrand and Charbonneau are asking their members to challenge the government anti-inflation legislation and to launch a general strike throughout the province, can the Prime Minister tell the House whether he is now considering that eventuality and if the government is considering the steps to be taken to spare Canada a dreadful economic disaster?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I share the view of the leader of the Social Credit Party of Canada when he refers to an eventual disaster. I would merely like to indicate that the government still has confidence in the common sense of Quebec citizens. As for the government, we are ready to be very patient to explain the merits of the legislation which the House is now considering and to meet anyone, including labour leaders. If they are worried or have valid objections, we are ready to discuss with them because we are convinced that if the effectiveness of government action against inflation was understood by all, better co-operation would be obtained not only from union members but also from union leaders.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary question.

Did the Prime Minister and the union leaders discuss the opportunity to have any further meetings? Did the union leaders ask for an interview with the Prime Minister or a member of the government concerning this famous Bill C-73 in order to discuss its conditions and possible implications?

Mr. Trudeau: Mr. Speaker, several meetings between ministers—including myself—and union leaders have already taken place in various provinces. I must say there has not yet been any meeting with those mentioned by the Social Credit leader. However, I have indicated that I would be available to meet these people if they want to continue the discussion, and I repeat it publicly, if it is possible for me to meet them with government ministers, I would be very happy to do so.

* * *

[*English*]

AIRPORTS

MIRABEL AND DORVAL—INSTRUCTIONS OF PRIME MINISTER TO PRINCIPAL SECRETARY ON INTERVENTION IN GRANTING SKY SHOPS LEASE

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question I should like to address to the right hon. Prime Minister. When in April of 1970 the Prime Minister gave permission to his then principal secretary personnally to intervene in a matter involving large sums of money be-

tween Sky Shops Export Limited and the federal Department of Transport, what were the instructions that he gave to his then principal secretary?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure upon what the hon. member is basing his assertion that I personally gave instructions. My principal secretary was, in a general way, instructed to deal with constituents—by that, I mean not only people from my riding of Mount Royal but constituents across the country—who had some reason to want to see me. I could not make myself accessible personally to everyone, but he had instructions to try to deal with every reasonable request by any citizen of Canada, particularly if they came from the beautiful riding of Mount Royal, and to make sure they had access to government services, just as I am sure it is the duty of every member of this House to make sure that happens when they get requests from someone in their constituencies.

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URBAN AFFAIRS

HUMAN SETTLEMENTS CONFERENCE, VANCOUVER—REASON FOR GRANTING ADVERTISING CONTRACT TO OGILVY AND MATHER

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Would the minister advise the House why his department has awarded a contract for advertising the meetings leading up to the Habitat Conference next spring to the wholly-owned subsidiary of Ogilvy and Mather Inc., of New York instead of to a Canadian advertising agency?

Hon. Barney Danson (Minister of State for Urban Affairs): As I understand it, Mr. Speaker, that is a Canadian company or it is in the process of becoming totally Canadian owned and, indeed, that was the understanding in respect of any agreement involved there.

Mr. Hees: Mr. Speaker, that is not my information.

Some hon. Members: Oh, oh!

Mr. Hees: In view of the fact that this contract was awarded to the wholly-owned subsidiary of a United States corporation, I would ask if there was no truly Canadian company considered capable of handling this straightforward job, and what has happened to the government's professed policy of Canada first in this regard?

Mr. Danson: Mr. Speaker, I should point out that major advertising contracts with any agency for which I am responsible are placed with wholly-owned Canadian companies, and it was my understanding that this company was in the process of becoming completely Canadian owned. If that is not the case, I appreciate the hon. member's comment and will certainly check into it.

[Mr. Huntington.]

HOUSING

NEIGHBOURHOOD IMPROVEMENT PROGRAM—REASON FOR DELAY IN IMPLEMENTING PROGRAM IN SASKATCHEWAN

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I too have a question for the Minister of State for Urban Affairs. I understand that many communities in Saskatchewan have made application under the Neighbourhood Improvement Program and have been informed that the hold-up seems to be with CMHC. Would the minister inform us why there is this delay in processing these applications as some of these communities are waiting with the hope that they will be able to get started before the winter sets in?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, to my knowledge these agreements have not been signed with all the provinces, and I am rather disturbed about this. I do not know if reports are coming out. I understand there has been a second change of the minister responsible for housing in that province. I have met with the past two ministers but I have not yet met the new minister. I hope he remains long enough so we get the chance to know one another.

Mr. Korchinski: Mr. Speaker, could the minister indicate when he hopes to meet with the new minister since it can get pretty nippy in Saskatchewan, contrary to what happens in the Toronto area?

Mr. Danson: I understand we are to meet on the 25th for a nip.

* * *

ADMINISTRATION OF JUSTICE

QUEBEC CRIME PROBE—REQUEST FOR WITHDRAWAL OF FEDERAL OBJECTION TO CONSTITUTIONALITY OF COMMISSION OR APPOINTMENT OF FEDERAL COMMISSION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Justice. In view of the continued worth and the continued revelations in respect of the Quebec Police Commission probe into organized crime, will the minister inform the House if the government would withdraw its rather superfluous constitutional objections, which I understand are to be made on behalf of the Justice Department tomorrow before the Supreme Court of Canada, regarding this Quebec Police Commission probe?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the answer is no. As I indicated to the House already if the hon. member had listened when this question arose, I have already put before the Solicitor General of Quebec and my colleagues possible amendments to the Criminal Code to ensure that provincial attorneys general are able to carry on the type of inquiries they want to conduct.

Mr. Lawrence: Mr. Speaker, in view of my understanding that the state of the investigation by this particular probe are now at a very crucial juncture, both to the staff and counsel, I wonder if the Minister of Justice would tell the House whether he has, on behalf of the government, yet given any assurances formally, informally, public or

private, to the judge conducting the inquiry and to counsel and staff involved, relating to the possible appointment of some people with the authority to conduct a similar inquiry under the auspices of the federal government itself?

Mr. Basford: Mr. Speaker, I think it would be improper for me to communicate with the chairman of the commission. As I just indicated, I have had discussions about this question with the solicitor general of the province of Quebec.

* * *

● (1430)

HEALTH

STUDY OF RELATIONSHIP OF CHRONIC BRONCHITIS, SMOKING, AIR POLLUTION AND INDUSTRIAL OCCUPATIONS IN OTTAWA AND SUDBURY—REQUEST FOR RELEASE OF REPORT

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is for the Minister of National Health and Welfare. Has the government sponsored a study into the relationship of chronic bronchitis, smoking habits, air pollution and working in industrial occupations in Ottawa and in Sudbury? If so, when will the government release this report?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, some reference has been made by the CBC to a so-called secret report. This is not the first time the CBC has mentioned a secret report that has been public, sometimes for many weeks. Sometimes the reports even have been tabled in this House. In this particular instance a survey was conducted by the Department of Epidemiology and Community Medicine of the University of Ottawa. This was funded by the health grants program of the federal government for the Ottawa survey, and by a provincial government grant for the Sudbury survey. This was not in any way a federal survey.

Preliminary findings of the Ottawa survey were made public last summer at the meeting of the International Epidemiology Association in Brighton, England—I cannot understand why the CBC was not there—and will appear in the form of a scientific article in the December 6 issue of the Canadian Medical Association Journal. I understand that a final detailed report is nearing completion and will be released by mid-December. This report was never suppressed by the federal government for the good reason that it does not belong to the government but rather to the researcher who made the survey.

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ENVIRONMENTAL AFFAIRS

MINISTER'S POSITION ON POLLUTION STANDARDS FOR SYNCRUDE PROJECT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of the Environment if I could get the attention of the minister. It goes back to the Syncrude project and the problem of pollution in connection with that project. There was a report on Saturday that the Alberta Minister of the Environment, Mr. Russell, is adamant that the 287-ton figure for pollution at that site will not be changed. In view of the fact that the suppressed index contained in the report to the Alberta government equated those levels with an environmental legacy that would pale Sudbury and the San Bernadino mountains of Los Angeles, and in view of the minister's own study of the environmental impact would the minister now give this House some assurance that she does not accept the 287-ton figure? Can she also give the House some assurance that we will be going back to the 40 tons that her original report provided for and recommended?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the Minister of the Environment for Alberta did not say exactly what the hon. member is reporting. He said he was looking at the situation. As to the amount that could be allowed, I think the minister is taking into account the data he has in order to say that the level is acceptable. We are looking into the situation and are studying the effects of the emissions in the atmosphere from the development of the tar sands. I can assure the hon. member that because the federal government is involved in the tar sands, through Syncrude, the effects on the environment will fall within the policy we have established for ourselves and which we would hope the government of Alberta will want to follow.

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ENERGY

SYNCRUDE PROJECT—MATTERS REMAINING TO BE NEGOTIATED WITH ALBERTA—REASON FOR FAILURE OF BOARD OF DIRECTORS TO REPORT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. Dealing with the Syncrude project, would the minister advise what it is that remains unnegotiated between the province of Alberta and the federal government. Would he specify whether it is matters of environment which remain unnegotiated and whether that is the reason we do not have a report from the board of directors. Furthermore, would he advise why $100 million has been spent by the government and can he give us any assurance that this $100 million has been protected in view of the fact that we do not have anyone on the senior board of directors.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the federal government is on the management committee. That information was given in an answer to a question last week. As to the first part of the hon. gentleman's question, I answered that last week and the record will give him that information. On the last part, in respect of why we are spending $100 million with no one on the board of directors I can tell him we are confident we can conclude the agreement. We are on the management committee. I think we can fully protect the federal interest.

Oral Questions

STORMS

REQUEST FOR FEDERAL ASSISTANCE TO THOSE SUFFERING DAMAGE IN LAKE ERIE REGION

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, this is a follow-up question to a previous question asked regarding the violent storm on the Great Lakes. It is directed to the Minister of the Environment. It relates specifically to the unprecedented storm damage on the north shore of Lake Erie. I should like to ask the minister whether the government has taken any initiative in approaching the province of Ontario, which is assessing the damage, with a view to declaring the north shore a disaster area in order that individuals, communities and small businesses which have suffered grievous losses will qualify for federal assistance.

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the department has not taken the initiative because that initiative should come from the government of the Province of Ontario.

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EXTERNAL AFFAIRS

ALLEGED PERSECUTION OF ROMAN CATHOLICS BY GOVERNMENT OF CHILE—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State for External Affairs. It relates to the reports of recent days of considerable persecution of members of the Roman Catholic church in Chile, the arrest of priests and nuns and even more recently the house arrest of Cardinal DeSilva, the head of the Catholic Church in Chile. I believe the minister has received a telegram of support sent by the Canadian Catholic Conference to the church in Chile and I am wondering whether he has had an opportunity to examine the deterioration of the situation in Chile and the increasing persecution of the Catholic people there.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have asked that inquiries be made concerning the present situation in Chile. I have not received a full report and would like to await that report before answering the question.

Mr. MacDonald (Egmont): Mr. Speaker, because there seems to be a substantial erosion since the September 7 ad hoc report to the UN on human rights in Chile can the minister indicate whether he is using other sources beyond contacts with our own embassy in Santiago, realizing the difficulty we have had in the past in getting a full and complete story.

Mr. MacEachen: Mr. Speaker, we use other sources as well.

[Mr. Gillespie.]

FOREIGN INVESTMENT

POSSIBILITY OF ALLOWING TAKEOVER OF WESTINGHOUSE BY WHITE CONSOLIDATED—GOVERNMENT POSITION

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the recent developments in the matter of Westinghouse Canada and White Consolidated Industries of Cleveland, Ohio, over the use of the name and trademark of Westinghouse, and bearing in mind that Canada is a signatory to the Treaty of Paris in which, as I understand it, we have agreed to treat foreign-owned trademarks and patents on the same basis as Canadian instruments of the same nature, and noting that we are negotiating at GATT for expansion of international free trade, will the minister agree that Canada must live up to the spirit and letter of its international commitments, and in this particular instance should possibly reverse the decision of the Foreign Investment Review Agency by allowing takeover of Westinghouse Canada Appliance Division by White Consolidated Industries.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, clearly under the circumstances, since this matter is now in the courts in the United States, it would be quite inappropriate for me to answer the hon. member concerning what our future course of action would be. In any event, it is always open to applicants under the Foreign Investment Review Act to reapply. This is not something which comes to them by any grace on the part of the government. My main concern at the moment continues to be to ensure that jobs in Hamilton are protected. The Minister of Labour, just a few minutes ago asked me if I would meet with the union representatives from Hamilton and I agreed to do so as soon as possible.

REQUEST THAT PRIME MINISTER EXAMINE SITUATION CREATED BY WHITE CONSOLIDATED BID TO TAKE OVER WESTINGHOUSE

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have one supplementary which I should like to direct to the Prime Minister, if I may apologize for interrupting his conversation. Bearing in mind that all parties agree the Minister of Industry, Trade and Commerce has handled this matter with great skill and diligence but that it has moved into an area of the interpretation of international agreements versus domestic policy, will the Prime Minister examine the matter on a top priority basis and endeavour to resolve whether the terms and integrity of the Treaty of Paris in fact take precedence over a decision of the Foreign Investment Review Board and use his office to resolve the serious matter with all possible speed as the jobs of 2,800 people hang in the balance, not to mention a long established profitable business.

● (1440)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would certainly consider the suggestion made by the hon. member and I certainly share his opinion of the high skill of the Minister of Industry, Trade and Commerce.

Probably not even my office would do things any better than he did.

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EXTERNAL AFFAIRS

GOVERNMENT ACTION AT UNITED NATIONS IN VIEW OF RESOLUTION PASSED CONDEMNING ZIONISM AS RACIST

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it is based on the fact that the life expectancy of the United Nations is in widespread doubt across the world in consequence of recent resolutions in the manner of certain member nations which have brought discredit on the votes of that institution. Has the government given any consideration to making it clear to some of these nations, which have been recipients of large amounts of assistance and of direct support from Canada, that Canada feels very strongly that they should realize that fact when they are voting in the United Nations, not in the determination of the exigencies of the moment but by the determination of a group of nations which have apparently ganged up?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I would not take the same pessimistic view about the life expectancy of the United Nations that is taken by the right hon. gentleman.

Mr. Diefenbaker: Some of the most influential press says so.

Mr. MacEachen: I still disagree with the diagnosis with respect to the United Nations. If the hon. member is suggesting that Canada should relate its development assistance to the votes of certain countries at the United Nations, then I think that would be introducing an entirely new element into our development assistance policy. We have made development assistance available to other countries on the basis of their needs, their state of development, the starvation, the poverty and the per capita income, and I think it would be a form of an unacceptable twentieth century colonialism to relate development assistance to votes at the United Nations.

Mr. Diefenbaker: I do not believe that Canada should be a milch cow, for these nations, regardless of the irresponsible attitude that they are taking in the United Nations. I wish to ask the minister this question: what is Canada doing to ensure that some of these nations, which are the loudest in their outspoken criticism of Israel and in support of the resolution—many of them are virtually freeriders in that they are not making a proper contribution or paying their full and fair share instead of allowing the load to be carried by responsible nations?

Mr. MacEachen: Mr. Speaker, I believe the right hon. gentleman will want to have it put on the record that, for example, not all the African countries voted for the resolution. A number of African countries voted against that resolution which we found so objectionable and against which we voted, and a number abstained. I believe that with the passing of time an increasing number of countries will understand the gravity of the decision which they took to support that particular resolution. It will be our intention to work toward bringing about a change in that attitude by such actions as I mentioned the other day, namely, our attendance at the conference in Ghana and our funding of any specific activities of the United Nations that flow from the acceptance of these totally objectionable resolutions.

Now, with respect to the countries which do not pay their share, obviously we will be urging upon them to accept their responsibilities as we are doing as members of the United Nations.

Mr. Diefenbaker: Not very successfully.

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[*Translation*]

SUPPLY AND SERVICES

ARRANGEMENTS FOR DELIVERY OF PENSION CHEQUES

Mr. T. Lefebvre (Pontiac): Mr. Speaker, I wish to direct a question to the Minister of Supply and Services.

Are socio-economic cheques ready for distribution and, if so, who sorted them?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, nearly 85 per cent of socio-economic cheque recipients already register their postal code on our index cards. It is because of this and with the help of my department's computers that we have been able to sort them. As for the remaining 15 per cent, we have had to do it by hand. This task was carried out within my department and of course with the assistance of the Post Office.

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[*English*]

INDUSTRY

CANADAIR—ROLE OF COMPANY IF GOVERNMENT EXERCISES OPTION TO PURCHASE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the genial Minister of Industry, Trade and Commerce and it has to do with the option which the government has for the purchase of Canadair which, I understand, will expire early in December. In view of the statement made last year by his predecessor in an address to the Ontario Institute of Accountants that Canadair and its parent company, General Dynamics, has always put its own future ahead of the future of Canada, may I ask the minister if the government intends to exercise its option to purchase Canadair, and if it does, what will be its role? Will it be a merging of Canadair and de Havilland, which the government already owns, or some merging with a private air company?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): No, Mr. Speaker, no decision with regard to the exercising of the option has yet been made, primarily because we are still examining the possibility of a reorganization of the air freight or the aerospace industry in Canada which would have the kind of linkages we

anticipate that the hon. member mentioned, namely, de Havilland and Canadair perhaps working in some kind of corporate harness. This decision will have to be made, as the hon. member has said, within a matter of three or four weeks, I believe, but it is quite possible that if the assessment of the restructuring of the industry has not been finalized by that time, and there are certain other key questions which have to be resolved in that connection, namely, defence purchases and the like, we might very well seek a further extension of the option.

CANADAIR—POSSIBILITY OF CANCELLATION OF UNITED STATES ORDERS IF GOVERNMENT EXERCISES OPTION TO PURCHASE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I want to ask the minister a question regarding reports that some officials of his department are alleged to have said that certain U.S. officials had indicated that orders to Canadair would be cancelled and no further orders forthcoming if Canadair became solely a Crown corporation and that such orders would only continue if a very major U.S. aircraft company were given a substantial equity in Canadair should the government decide to exercise its option.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): I have not been made aware of any such comments by American companies. I think that if the hon. member has been following such published reports as there have been, he will realize that a bigger interest on the part of U.S. companies is the acquisition of certain purchases within Canada of aircraft and the like in return for which certain undertakings have been suggested, such as that they would bring business to various Canadian companies such as Canadair. I think these commitments are of a sort that would not be provisional upon the ownership being government, private or for that matter, American. In other words, I do not think that is an issue on the question of ownership of Canadair.

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● (1450)

[*Translation*]

AIRPORTS

REQUEST THAT PRODUCTS SOLD IN DUTY FREE SHOPS BE CANADIAN

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Transport.

Since more than 75 per cent of the goods sold in duty free shops located in the various airports in Canada are imported, will the minister soon ask Air Canada to review its purchasing policy so that these stores sell articles made in Canada and foreign tourists be allowed to return home with truly Canadian products, souvenirs from Canada?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be glad to check the figures on the proportion of goods and treat the rest of the hon. member's remarks as a recommendation.

[Mr. Jamieson.]

CANADIAN BROADCASTING CORPORATION

VIEWPOINT—ALLEGED ATTEMPT TO CANCEL PROGRAM ON GROUNDS MR. MURRAY MEDICALLY UNFIT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Prime Minister in the absence of the Secretary of State. It concerns the circumstances surrounding and arising out of the decision by the CBC to cancel the program "Viewpoint". Is the Prime Minister aware that in an attempt to manufacture justification for the cancellation of "Viewpoint", which is not a popular move at all, the CBC has used the device of ordering Mr. Ian Murray to keep an appointment with a CBC appointed physician, made without Mr. Murray's knowledge or consent, and that even before the examination was to be held, ordered him replaced on the grounds he would be found in that examination to be medically unfit?

Some hon. Members: Oh, oh!

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, I shall certainly bring this to the attention of the hon. Minister and look into it.

Mr. Baker (Grenville-Carleton): I thank the parliamentary secretary for that answer. When the hon. lady is advising her minister of the question, would she attempt to obtain an undertaking from him to inquire into the circumstances of a memorandum from Mr. Bill Stevenson to Messrs. Herndorf and Wright dated today, November 17, in which this apparent victimizing of Mr. Murray the producer, is fully set forth? Would she undertake to do that?

Miss Campbell: Yes, Mr. Speaker.

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ADMINISTRATION OF JUSTICE

QUEBEC CRIME PROBE—JUSTIFICATION FOR CHALLENGING CONSTITUTIONALITY OF COMMISSION IN VIEW OF INCREASE IN CRIME

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Justice arising from an answer given to the hon. member for Northumberland-Durham. I wonder if he could tell the House and the country how he can justify and square his position of legally challenging provincial rights with reference to police commissions and other inquiries into crime when crime is on the increase and is one of the most important issues, which he himself admitted when he took over the portfolio.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, there is no need to square the positions because they are not unsquare. Obviously, the position relative to crime in this country is an important one which I share with the hon. member. Consequently, that is why we are bringing forward very shortly important amendments to the Criminal Code. It is also for that reason that I have taken up with the Solicitor General of Quebec ways in which, should the Supreme Court of Canada find the present commission of inquiry in Quebec unconstitutional, it could

be clothed with constitutional authority. I find it unusual that the hon. gentleman should regard an intervention on a constitutional matter in the Supreme Court of Canada as reckless.

Mr. Woolliams: A supplementary question. In light of the fact that this government has continually refused to have any inquiry into the acceleration of crime, how can he justify and square, I will use the word again, his position with the fact that it is from this inquiry in Quebec that we got the information that bad beef was being sold to Canadians?

Mr. Basford: Mr. Speaker, it is because the commission in Quebec has served a very useful purpose that I am interested in ensuring, with the Solicitor General in Quebec, that any inquiry has a proper constitutional basis.

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EXTERNAL AFFAIRS

ANGOLA—POSSIBILITY OF GOVERNMENT ACTION AT UNITED NATIONS TO PREVENT FOREIGN INTERVENTION IN CONFLICT

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Secretary of State for External Affairs. In the light of his previous interest in Angola independence displayed in his recent tour of Africa, and considering reports which indicate that large numbers of foreign advisers, supplies and troops are being landed in that country with the consequent risk of civil strife there escalating into major conflict, has the minister made any representations to the United Nations urging that organization to use its influence to prevent foreign intervention in Angola?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have not taken any specific initiative at the United Nations in the way of resolutions or any move of that kind.

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ADMINISTRATION OF JUSTICE

ALLEGATION SEX OFFENDERS AND HABITUAL CRIMINALS OUT ON TEMPORARY ABSENCES—SUGGESTED DISCIPLINARY ACTION AGAINST THOSE RESPONSIBLE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Solicitor General of which I have given him notice. On November 7, the Solicitor General told this House that habitual criminals and dangerous sexual offenders are not allowed out on temporary absences. As the minister knows, I told his staff this morning, the Canadian penitentiaries service publishes a computer printout every month. This computer printout indicates there are a number of dangerous sexual offenders and habitual criminals out on temporary absences. I wonder if the minister can advise this House if he has taken disciplinary action against the institution for allowing these people out against his wishes.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, to begin with I did not say what the hon. member says I said on that particular day. I said dangerous sexual offenders were not permitted temporary absences. The *Hansard* was wrong and I made a correction in it. I did not say that habitual offenders were not—

Mr. Reynolds: You changed *Hansard*.

Mr. Allmand: No, I never said that.

Mr. Reynolds: You did!

Mr. Allmand: I did not say that.

Mr. Reynolds: You did so!

Some hon. Members: Hear, hear!

Mr. Lawrence: Take him up the alley.

Mr. Allmand: All right. Mr. Speaker, Commissioners' Directive 228 of the Canadian penitentiaries service reads that an inmate declared by the court to be a dangerous sexual offender shall not be granted a temporary absence. If, as the hon. member suggested, certain people are being let out contrary to that directive, he should give me the names. He has given me one already and we are checking on that. If he has any others, he should give them all to me and we will check on those as well.

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PENITENTIARIES

PITTSBURGH—REASON FOR SUSPENSION OF TWO OFFICIALS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I will be more than pleased to give the minister the whole computer printout. I do not know why he cannot get it. My supplementary question to the minister is to ask if he can advise the House whether the director of the Pittsburgh institution and the senior security director of the Pittsburgh institution have been suspended for allowing people out on temporary absences who should not be out?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it is true that two officials at the Pittsburgh institution have been suspended for abuses of their responsibilities including abuse with respect to temporary absence passes but not, I believe, with respect to dangerous sexual offenders. I do not think I should say more about this at the present time because they have appealed their suspension and that is presently being heard.

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CUSTOMS

REQUEST THAT OFFICE AT BARRINGTON PASSAGE, NOVA SCOTIA, NOT BE CLOSED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is to the Minister of National Revenue. In view of that fact that Barrington Passage, Nova Scotia, has the

second largest ship registry in Canada, will the minister immediately re-examine his department's plan to close down this customs office today since this will require the 605 lobster boats and 1,587 motor vessels registered in this port to travel to some other port at great expense and increased fuel consumption?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, Barrington Passage is not being closed down, it is simply being redesignated as a vessel clearing station. Vessels will continue to use that port. There has been a transfer of one employee, however; it is not a lay-off but simply a transfer to another port in the area.

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ADMINISTRATION OF JUSTICE

RELATIONSHIP BETWEEN VIOLENT CRIMES AND PORTRAYAL OF VIOLENCE ON TELEVISION—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Solicitor General who is reported to have said in a speech last week that he is now satisfied, after a two year study, that there is a direct relationship between violence on television and crimes of violence and that he has had discussions with his colleagues in the government. In light of these findings, what steps does the government propose to take within its jurisdiction over the CRTC and the CTC to change the present requirement and prohibit these kinds of programs or to arrange to have these programs shown at a late evening hour?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we have had consultations with the CRTC and the Department of the Secretary of State on this matter and it is still under study. We may have more to say when the Minister of Justice and myself announce our package on violent crime before the end of the year.

● (1500)

Mr. Reynolds: Mr. Speaker, I rise on a point of order concerning the minister's allegation that I heard him wrongly in the House. I point out that *Hansard* reports him as speaking of "dangerous criminals." After I heard his answer last week, I went to the *Hansard* office, saw the blues and noted that on them he was reported to have talked of "habitual criminals." I still think that what I say is correct. The *Hansard* reporter heard the minister say what I allege he said, and the minister or someone on his staff went to *Hansard* and changed that word on the blues.

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, I rise on the same point of order. It is true that the blues said what the hon. member suggested. When I saw those words in the blues, I immediately sent a message to *Hansard* telling them that I had not said "habitual offenders." I am familiar with the law; a habitual offender can get a temporary absence after three years, but a dangerous sexual offender cannot. I would not say that habitual offenders cannot, when they can. I do not know how those words were reported by *Hansard*, but my people made the correction when they saw it, because it was wrong.

[Mr. Crouse.]

ROUTINE PROCEEDINGS

[*English*]

ESSENTIAL SERVICE STRIKE SUSPENSION ACT

MEASURE TO PROVIDE FOR SUSPENSION OF STRIKES IN ESSENTIAL SERVICES

Mr. Otto Jelinek (High Park-Humber Valley) moved for leave to introduce Bill C-416, to amend the Public Service Staff Relations Act and the Canada Labour Code and to provide for the suspension of strikes in essential services.

An hon. Member: Explain.

Mr. Jelinek: Mr. Speaker, this bill, which is to amend the Public Service Staff Relations Act and the Canada Labour Code, would provide for the suspension of strikes in essential services while the government's anti-inflation legislation is in force. It is a fact that Canadians are fed up with constant work stoppages.

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

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

POST OFFICE

STRIKE OF POSTAL WORKERS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, pursuant to Standing Order 26, I ask leave to make a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration. This specific and important matter is the continuing absence of postal service which began four weeks ago and which shows no sign of ending in the near future.

The absence of this essential service is creating accumulating hardship for all Canadians, but particularly for those who receive their incomes and revenues by mail and those whose jobs have been terminated because of disruptions in trade and commerce. It has also ended the exchange of mail with other countries, a serious consequence of which is the present and potentially permanent loss of foreign trade. If acceptable, Mr. Speaker, I will move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House do now adjourn.

Mr. Speaker: Order, please. Hon. members no doubt are aware that the application pursuant to Standing Order 26 virtually repeats the application made by the same hon. member on Wednesday last when the Chair took some time explaining the difficult considerations which confront the Chair in situations of this sort. I indicated that, as activities within the ranks of the union involved might lead to a resolution of the conflict, it would be premature to grant the application made pursuant to Standing Order 26, but

that if the hon. member were to bring it forward in a few days if no further developments had taken place the Chair might be favourably disposed to granting the emergency application.

A few days have passed and I awaited notice from the hon. member of his intention to bring forward this application in the present sitting. However, I awaited developments during the question period for two reasons: first, to determine once more the importance of the matter, and it occupied, again, about half today's question period; second, to see whether information elicited during the question period would indicate that there is activity which will give hope for the internal resolution of the conflict. I think I would be an optimist if I were to take the latter interpretation from the facts described during the question period.

The same considerations apply today as I mentioned last Wednesday. It is always difficult to decide these matters. Since parliament has given public servants the right to strike, when the public service exercises that right and inconveniences the public, does that automatically become a matter of emergency? Standing Order 26 does not reflect on one side or the other of a question, but simply provides an opportunity for parliament to address itself to certain issues. Here we are considering a matter which is obviously bringing great inconvenience to the people of Canada and if it were not for the right to strike granted by parliament it would, obviously, in every way be an ideal subject for discussion under this rule.

This being the second application, and substantial activity not having taken place since the first application of five days ago, it seems to me that the Chair ought not to resist further the application for parliament to consider this matter objectively. Certainly, there is nothing pro or con in the motion. It seems to me that if the Chair were to resist the application a second time, it would be making a judgment about the situation that it ought not to make, and interposing itself between the desire of hon. members and the debate.

I might say that this topic was touched on forcibly earlier today. Since parliament has expressed the desire to debate the matter, it seems to me that the Chair ought to grant this application. Accordingly, it would be my intention to see the debate begin at eight o'clock this evening pursuant to the provisions of Standing Order 26. I qualify that in this way: it has already been ordered that a vote shall take place at 9.45 this evening on the opposition motion of Friday last. As well, debate is to resume today on the government order relating to *Time* and *Reader's Digest*. Approximately three hours remain before the time allocation order takes effect which means, presumably, that the second reading vote, all other things being equal, will take place shortly before the supper adjournment which, because of another special order, is to be at 6.30 p.m. and not at six o'clock.

There might be discussions about a convenient way to arrange these two votes without interrupting what will be an important debate which will be scheduled to begin at eight o'clock this evening. If suggestions are to be made, I will be glad to receive them. If not, I will be happy to return to the chair at four o'clock or five o'clock to make an announcement, because I am sure all hon. members will want to pay close attention to the timing of these two most important votes.

Mr. Sharp: Mr. Speaker, in view of the situation you have outlined, it might be useful to convene a meeting of House leaders to discuss when these votes may take place. Tentatively, I think they could be held tomorrow and we could arrange a suitable time.

Mr. Baldwin: Mr. Speaker, there are a number of options open to us. I wonder if we could meet in order to discuss the question of when the votes are likely to be taken and, if necessary, when the debate will commence? I think we could probably discuss this matter and then communicate to Your Honour whatever decision is arrived at.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there have already been tentative discussions about the two votes. Now that Your Honour has ruled that there is to be a special debate tonight, I agree that it would be a good idea for the House leaders to meet formally and come to a definite decision about the timing of the two votes, the vote on second reading of Bill C-58 and the vote on our motion of last Friday.

Mr. Speaker: May I ask if the hon. member for Vancouver Quadra (Mr. Clarke) has the leave of the House to put the motion which has been proposed pursuant to Standing Order 26, in order that it can be debated at eight o'clock this evening?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,115, 3,183, 3,206, 3,212 and 3,299.

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

[*Text*]

INFORMATION REQUIRED ON ILLEGAL STRIKES

Question No. 3,115—**Mr. Schumacher:**

1. By year since 1970 to date, how many illegal strikes have there been in the Public Service?

2. In each case (a) what group was involved (b) what was the duration of the strike (c) how many charges were laid as a result of the strikes?

3. How many of the charges (a) were dropped (b) went to trial and what was the result in each case?

4. In each of the charges that were dropped, what were the reasons for disposing of them in this way?

Order Paper Questions

Hon. Jean Chrétien (President of Treasury Board): 1. 1970: 3; 1971: 5; 1972: 4; 1973: 14; 1974: 12; 1975: 7 (as of October 22). Total 45.

2. (a) 1970: Clerical and Regulatory; Clerical and Regulatory, Post Office. 1971: Post Office; Post Office; Firefighters; Post Office; Post Office. 1972: Electronics; Electronics; Post Office; Post Office. 1973: Post Office; Post Office; Post Office; Post Office; Post Office; Post Office; Post Office; Post Office; Post Office; Post Office; Nurses; Clerical and Regulatory; Post Office; Post Office. 1974: Post Office; Firefighters; General Labour & Trades & General Services; Data Processing; Radio Operations; Heating, Power and Stationary Plant; Radio Operations; Clerical and Regulatory; Primary Products Inspection; Most Employees (Sept-Iles); Education; General Labour and Trades, Heating, Power and Stationary Plant, Post Office. 1975: Heating, Power and Stationary Plant; General Labour and Trades; Post Office; Post Office; Post Office; Nursing; Correctional.

2. (b) 1970: 1 day; 3 days; 1 day. 1971: 1 day; 2 days; 3 days; 1 day; 8 days. 1972: 1 day; 24 days; 1 day; 12 days. 1973: January through February; 1 day; 1 day; 2 days; 1 day; 1 day; 5 days; 1 day; 1 day; 2 days; 6 days; 3 days; 1 day; 1 day. 1974: 17 days; 22 days; 1 day; 2 days; 2 days; 1 day; 2 days; 6 days; 2 days; 1 day; 1 day; 5 days. 1975: 2 days; 1 day; February 17 to March 19; 4 days; April 14 to May 27; 3 days; 1 day.

2. (c) Charges of participating in an unlawful work stoppage were laid against the following groups of employees: 65 Radio Operations employees (October 1974); 225 Clerical and Regulatory employees (Air Traffic Control Assistants, October 1974); 912 General Labour and Trades employees (December 19-23, 1974); 543 Designated General Labour and Trades employees (February 17-March 19, 1975).

3. It is impossible to provide accurate figures on charges that may have been dropped. Because cases must be heard locally in Provincial Criminal Courts, cases had to be assigned to regional lawyers of the Department of Justice and to local agents acting on behalf of the Crown. Many cases are still current and will appear in court over the next six months. Consequently, it is not possible to provide complete or accurate information. We have received reports of fines ranging from $10 to $100 (the maximum permissible) having been imposed in certain cases; in other cases, certain employees have been found to be not guilty by reason of legal technicality or lack of evidence.

4. We are aware that some charges were dropped following legal advice that there was insufficient evidence to obtain a conviction; in some cases, sick leave was accepted as an excuse for the employee's absence. Because of the geographic distribution of cases and the fact that they have yet to appear in court, accurate figures cannot be provided.

LAND AREA PRINCIPLE

Question No. 3,183—**Mr. Marshall:**

1. Did the Minister of the Environment state that only ten per cent of Canada's total land area is suitable for modern agricultural methods and that only one half of one per cent of our land has first class agricultural capability and, if so, what are the details in support of such statement?

[Mr. Schumacher.]

2. Does this statement apply to the individual Maritime Provinces and, if so, in what way?

3. Is action being taken by the Department of the Environment to develop an acceptable framework of land use principles and, if so, in what way?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): 1. Yes. This information is derived through the Canadian Geographic Information System from the Soil Capability for Agriculture Sector of the Canada Land Inventory. There are approximately 19,000 square miles (12,000,000 acres) of class one land out of Canada's total area of approximately 3,851,000 square miles.

2. This statement relates to all of Canada; therefore, the percentages do not pertain to individual provinces. There is no Class 1 agricultural land in the Maritime Provinces. However, New Brunswick has 13,262,030 acres of Class 2 to Class 5 land suitable for modern agricultural methods representing 73 per cent of the Province's total land area. Nova Scotia has 4,076,884 acres or 30 per cent of its land and Prince Edward Island has 1,306,363 acres or 94 per cent of its land area in Class 2 to Class 5.

3. Yes, an interdepartmental task force has been formed to explore with the provinces, the possibility of producing a set of national land-use objectives and strategies. This task force is currently identifying and assessing the land-use impact of federal programs as they relate to land-use issues. Already reports have been produced by a number of federal departments involved in programs which affect land-use and these are under examination by the interdepartmental task force. Concurrently, federal-provincial discussions have been initiated with respect to the development of national land-use objectives.

DREE—GUARANTEED LOANS TO FIRMS IN NEWFOUNDLAND

Question No. 3,206—**Mr. Howie:**

How many firms in Newfoundland had loans guaranteed by DREE from April 1, 1973 to September 30, 1975 (a) what was the total amount of the guarantees (b) how many of the firms are not currently operating (c) what was the total amount of guarantees to the firms not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: None. (a) Not applicable; (b) Not applicable; (c) Not applicable.

MIRABEL AIRPORT—TOTAL COST OF OPENING OCTOBER 4, 1975

Question No. 3,212—**Mr. Nystrom:**

1. (a) What was the total cost to the government for the official opening of Mirabel Airport on October 4, 1975 (b) what was the cost for (i) advertising (ii) security arrangements (iii) food (iv) liquor (v) hotel accommodations (vi) travel (vii) all other items?

2. How many guests were invited by the government?

Hon. Otto E. Lang (Minister of Transport): Based on the total cost for the overall four-day program (approximately $214,000) the cost for this one-day event is estimated at: 1. (a) $95,121. (b) (i) Advertising, No cost; (ii) Security Arrangements, $7,927; (iii) Food, $36,034; (iv) Liquor, $16,860; (v) Accommodation and hospitality for

foreign ministers, $4,824; (vi) Travel, No cost; (vii) Displays, audio-visuals, etc., $12,040; Rental of electronic equipment and installation, $8,456; Mirabel/Montreal bus service, $8,980.

2. 2,500 official guests and approximately 500 media representatives.

INDEPENDENT TRANSPORTATION ACCIDENT INQUIRY BOARD

Question No. 2,299—**Mr. Forrestall:**

Does the government intend to introduce legislation similar in principle to that proposed in Bill C-226, the subject-matter of which now stands referred to the Standing Committee on Transport and Communication, to create an independent transportation accident inquiry board as promised in the most recent Speech from the Throne and (a) if so, on what date (b) if not, for what reason?

Hon. Otto E. Lang (Minister of Transport): The government does intend to introduce legislation to create an independent accident investigation board but the subject matter may be somewhat broader in scope than that proposed in Bill C-226.

[*Translation*]

Mr. Speaker: Do the remaining questions stand?

Some hon. Members: Agreed.

[*English*]

Mr. Beatty: Mr. Speaker, I rise on a point of order. During the question period I indicated to the Minister of Supply and Services (Mr. Goyer) that I would raise a point of order concerning question No. 3,081 which I placed on the order paper earlier this year. For some time I have criticized the practice of the Department of Supply and Services in not giving research and development contracts to the lowest bidder. These are awarded without tender. Accordingly, I put question No. 3,081 on the order paper to try to elicit further information about this particular practice. While I was at the United Nations last Wednesday, my question was called by the parliamentary secretary and it was ostensibly answered. *Hansard* for last Wednesday records that the answer given by the Minister of Supply and Services was as follows:

● (1510)

The question requires considerable research and the information will be communicated to the hon. member at a later date.

I am at a loss to understand the procedure that was followed. Obviously, the minister had no answer to give. I was astonished to discover that, following the non-answer by the minister, my question was dropped from the order paper. Apparently it is the government's intention, at some time convenient to it, privately to communicate information to me that I specifically asked, in the form of a question on the order paper, to be answered publicly and formally.

This is a very important matter. It is a totally unacceptable and quite improper procedure for the government to evade answering questions on the order paper by saying they will communicate the information to an hon. member privately at a later date. If I were to repeat the question and re-enter it on the order paper—and I am not sure whether that is procedurally acceptable—I would lose the priority I had, despite the fact it has been on the order paper for a couple of months. I therefore ask that my question be reinstated with its previous priority as question No. 3,081, and that the answer given by the minister last Wednesday, which was no answer at all, be disregarded.

Mr. Speaker: Order, please. I do not know if other hon. members have a contribution to make on the point of order. It is a fascinating point. The Chair will consider it and make a ruling, probably tomorrow.

Mr. Stewart (Cochrane): Mr. Speaker, I rise on a point of order to seek clarification from the Chair on a matter which concerns all of us with respect to second reading of a bill. Since the changes in the rules and the increased importance of committees, and so on, the meaning of second reading seems to have changed from its traditional meaning. I, and I am sure all other members, would like some clarification from the Chair on this point.

We have always considered that to vote for second reading was to give approval in principle to a bill. At the same time, when the bill arrives in committee we are in a position to propose amendments, and when the bill returns to the House at report stage we may also propose amendments. If one votes in favour of the principle of a bill, approving it in principle at second reading, he could hardly propose amendments at a later stage. On the other hand, if it is not a question of approval in principle but merely to vote in favour of sending the bill to committee, it seems that we require clarification on this point.

We shall have before us today Bill C-58 which is a case in point. Many members of this House agree with the bill in principle but would like to change it somewhat by amending it; they cannot accept the bill in its present form. Are they voting on second reading to send it to committee, or will their vote on second reading be, in effect, acceptance or approval of the bill? Not only with respect to this bill, but with respect to other bills which will come before us, members should know once and for all whether, if they vote on second reading in favour of a bill, they are giving it approval in principle or simply voting to send it to committee where it can be amended.

Mr. Speaker: Without considerable and extensive debate which probably should be initiated in our procedure committee, I do not want to decide the direct question put forward by the hon. member as to whether the traditional vote, certainly as it was known before the revamping of our procedures through the 1969 amendments, on second reading giving approval in principle does or does not stand. With due respect, the question is academic.

It is absolutely clear that the vote on second reading does not in any way circumscribe the ability of any member of the House of Commons to propose to vote for, discuss or vote against amendments put forward at the committee stage or at the report stage. Whether or not that vote is taken to be a vote in favour of the principle of the bill, the fact is there is no restriction on the power of members who have voted either for or against a second reading motion to propose or in any way to support amendments put forward at committee stage. That, I am sure, is absolutely clear.

That having been said, the actual construction that has to be placed upon a second reading vote becomes an academic point to that particular argument or in reference to the vote that will take place later this afternoon.

Orders of the day.

● (1520)

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Thursday, November 13, consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, last Thursday, I gave a general outline of the application scope of Bill C-58. I would like now to discuss the consequences of the amendments this bill will make to the Income Tax Act, especially as regards *Reader's Digest* magazine.

The problem is on the interpretation of sub-paragraph 19(5)(a)ii)E) of the Income Tax Act which excludes from the application of section 19 a periodical edited or published under a licence granted by a person who is editing or publishing issues of a periodical which are printed, prepared or published outside Canada.

At first sight, this seems indeed to be the case since the very format of *Sélection*, if not its presentation, is managed by the parent company which allows to use under licence the name and the characteristics of *Reader's Digest* international edition. Besides, this situation is not unique to *Reader's Digest*.

Other magazines thus use under licence the format and the contents of a foreign magazine, particularly in specialized disciplines where the interest of science and scientific discoveries are made available to members of the profession, notwithstanding political frontiers. That is the case of a magazine like *MD Canada*, for example.

On the other hand, the full realm of publications under licence is but an enormous crab basket in which Canadian or foreign authors and publishers, librarians and publishing pirates are struggling. Why? Because for the past ten years we have been wanting to amend substantially the Canadian Copyright Act—a typical example of vagueness and inaccuracy—but not an inch of progress was ever made in this area. The result of that exercise in aerobatic interpretation in which the courts engage was to plunge the Canadian publishing industry in a latent state of disgust and of I-couldn't-care-less whose main losers happen to be the Canadian authors themselves. But that is another story.

[Mr. Speaker.]

I wanted to refer to the Canadian Copyright Act because section 19 refers to publication under license and the meaning of those words must be properly interpreted to determine how *Reader's Digest* is affected by that restriction. And to interpret it, one must go the Copyright Act which on the subject of licenses performs wonders of vagueness, not to say contradiction. So it is a vicious circle.

May I be permitted to illustrate the present position of *Reader's Digest* on the editorial content by using once again an easy syllogism.

On the one hand, by repealing the restriction of section 19 on the publication under license, *Reader's Digest* faces indeed an enormous difficulty, the editorial context having to be substantially different from that of the parent company, particularly in light of the interpretation given by the Minister of National Revenue—80 per cent. Well, about that 80 per cent Canadian content we heard all sorts of criticisms from opposition members about the methodology, if not the questioning of the motives that lead the government of Canada to choose that percentage. A line must be drawn somewhere.

Can a magazine that plagiarizes the editorial content of a foreign magazine be truly Canadian? Where should the line be drawn: at 50 per cent, or 65 per cent? Perhaps at 30 per cent. I admit that the decision was made, arbitrarily, to set it at 80 per cent. But that has nothing to do with censorship. Why use so strong a word for what in fact is nothing more than a guiding line, a factor of interpretation, a simple instrument in the hands of Revenue Canada?

I can understand up to a point, the reservations about the 80 per cent figure of some hon. members, but not the vehement condemnations addressed to the government because of it. Once again, by its very nature *Reader's Digest* cannot meet that 80 per cent Canadian content requirement without losing its originality, that is, its international character.

On the other hand, if the restraint in clause 19(5)(a)(ii)(E) is maintained, the probable interpretation will be to consider *Reader's Digest* as a magazine publishing under a license given by another magazine, which is foreign-owned, for the use of its format, its pool of articles, its image. Then, even if *Reader's Digest* is to all intents and purposes a Canadian magazine, this subclause will prevent it from enjoying the advantages provided for Canadian magazines in clause 19. The situation will be reversed, because *Reader's Digest* will not be able to compete with the same weapons as other Canadian periodicals.

Thus, even if the act stays unchanged on this aspect of the question, *Reader's Digest* finds itself in a dilemma and all the good words by those who would like to make people believe that the magazines affected by Bill C-58 will be able to adapt themselves with a little goodwill, demonstrate a reluctance to get above the simple cultural or monetary considerations we are concerned with here. Once again, the problem is the following: Do we want to see *Reader's Digest* pursue its operation in Canada? If so, we must provide it with the instruments necessary to adapt itself to the new context of clause 9, which is cut out of subclauses 2 and 4. In order to do that, we must either amend the definition of the publication under license in the Canadian legislation on copyright, or define in a better

way that same concept by a rule from the Department of National Revenue.

To this purpose, comments have already been made by certain experts, like Mr. Harold Fox in *The Canadian Law on Copyright and Industrial Designs*, second edition, who says in this regard on page 106, and I quote:

> It is obvious that there are two distinct copyrights in all works written by several authors, one covering the work as a whole the other covering each contribution by the individual authors. The author, and therefore the holder of the copyright for the whole work, will be the one who composes and edits the compilation unless, of course, he is employed by another person. Also, the author of each individual contribution to the collective work will the be holder of the copyright for the part he wrote, unless he is himself employed by another person.

Thus for a periodical such as *Reader's Digest*, the editors of the American equivalent of the Canadian magazine would hold the copyright regarding the title and the whole publication. The copyright for each article belongs to the individual authors. As Fox says in his book, on page 304, the right to reproduce a book under licence is probably limited to the reproduction of that book in a form substantially identical to the original edition.

The consequences of this regulation are as follows: The holder of an author's permit cannot use the literary work covered by the permit as he pleases. The reproduction of the work for which the permit was granted must be under a form substantially the same as the original. Therefore any provision which grants Canadian publishers the right to use, as they see fit, a work under an author's permit, must be worded in such a way as to protect the royalites of each individual author.

This is why it has been suggested that clause 19 pertaining to editing or publishing rights should allow Canadian publishers complete freedom when it comes to publishing a work covered by a permit provided the notion of copyrights is not tampered with. That is what the Canadian publishers of Selection mean by complete freedom. I will not indulge in vacuous oratory and shall leave the House with those legal comments so that the minister may consider them and make the necessary decisions to make the task of *Reader's Digest* easier, as we must admit it deserves a little consideration.

In conclusion, to keep a valuable perspective of the overall scope of Bill C-58, I would like to say once again that the purpose of Bill C-58 is to prune section 19 of the Income Tax Act to give it the original intent its promotors had in mind, that is solely to promote the creation of an industry of original Canadian publishing.

Therefore, I believe that Bill C-58 deserves careful consideration, for it calls for sound Canadian nationalism, but while showing such nationalism we should protect certain rights aquired by concerned people, by providing them with the same weapons as their local competitors, thus maintaining our reputation of referee and not that of killjoy.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I listened closely to the remarks of the hon. member who just concluded on Bill C-58, dealing more particularly with *Reader's Digest* and *Time* magazine.

I think he is quite right on the importance of measures to safeguard Canadian values and introduce a nationalist note. When we read the bill, it is clear pressures were brought to hear on the government to prevent Canadians from being caught, to help magazines such as *Reader's Digest*.

In my view, Mr. Speaker, *Reader's Digest* is wholly Canadian. It is an international magazine that is read throughout the world, millions of Canadians read because it gives courses on orientation, history, geography, administration, literature. It is a complete magazine which Canadian readers are most interested in. It would therefore be, and I think it is most unpopular among a very large majority of Canadians to cause the conveniences to the people who advertise in *Reader's Digest*. I said and I repeat that everybody runs for *Reader's Digest* every month, because it is not a magazine which attempts to impose the American ideology or any other kind of ideology. It is an objective magazine, which does not aim at any kind of political partisanship. *Reader's Digest* informs people.

Time is another cup of tea. *Time* seems to establish guidelines or consider itself the leader of public opinion, especially in the United States and Canada. You can read *Time* in other countries, but it is quite different. *Time* is different from *Reader's Digest*, but *Reader's Digest* employs and maintains thousands of Canadians who spend their money in Canada, who earn a living through the revenues from that publication, and I think, Mr. Speaker, *Reader's Digest* deserves as much consideration as any other magazine published in Canada. We do have magazines in Canada. Unfortunately, we have none of international scope. We have *La Chatelaine*. We have seen magazines like *Relations* which were restricted to the province of Quebec, and were edited by Jesuits.

We had, I believe, a magazine called *Maintenant*, which has probably disappeared by now. We have *Maclean* which is just as American as *Reader's Digest*. So why go for one magazine especially? Why should we try to cut down the rights of advertisers, the rights of people, or the rights of editors who work or co-operate with *Reader's Digest*?

Mr. Speaker, I think Bill C-58, considering how it is presented now, is discriminating. I understand we have to put an end to our recurring discussions in the past few years on that matter, namely whether we should boycott those so-called foreign magazines in Canada. So, when you have the number of employees who worked on a magazine like *Sélection*, one must be somewhat tolerant and admit that those people, the Canadians who area attached to it, our fellow citizens, do not work against the interests of Canada, do not work against the interests of advertisers, but work together to maintain a worthwhile magazine.

I said earlier that that *Reader's Digest* is a source of information that one does not find in other magazines. This does not mean that the other magazines are absolutely useless, no. Some are good, others not so good. But when you know *Reader's Digest*, I think there is not a single member in this House who does not read articles in *Reader's Digest* every month. Why? Because you learn something. That magazine serves educational purposes in many areas. That magazine acts as a yardstick or a barometer for economic gains or economic changes by informing us of what is happening in other countries while we have it available directly.

So, Mr. Speaker, the attitude taken by my colleagues of the Social Credit with respect to Bill C-58 is logical and honest. We will be voting against Bill C-58 when we are through considering it and we wish the government would reconsider its position to allow *Reader's Digest*—I am not talking about *Time*—to continue its beneficial impact across Canada as it has done for that matter in the whole world.

● (1530)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF VANIER HIGH SCHOOL AIR CADETS

The Acting Speaker (Mr. Turner (London East)): I should like to draw the attention of hon. members to the fact that there are 40 air cadets in the gallery from No. 650 Vanier high school air cadet squadron who are returning from Toronto where they participated in the Santa Claus parade.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, as Parliamentary Secretary to the Minister of Communications I hope it might be appropriate this afternoon, as this second reading debate winds to a close, to give some explanation in detail, as I understand it, of why these amendments in Bill C-58 are essential to the continuing health and viability of the Canadian television industry. In fact, the effects of this bill do not only relate to the over-all health of the industry but to the maintenance of Canadian culture and identity, with all the impact that television can have in Canada in helping to maintain and establish them.

As well, the bill will help further protect the availability of Canadian news and public affairs and competition within Canada of the different news bureaux and public affairs sources. Further, when communications is such a vital tool to a country like our own which is spread over a massive geographic area with a relatively small population, this legislation will, hopefully, begin to redress a problem that is threatening the very effectiveness and survival of that communications industry, certainly on the private sector side.

[Mr. Caouette (Témiscamingue).]

May I first of all discuss, Mr. Speaker, why the government has taken this particular form of action in order to encourage the Canadian television industry and give incentives for advertising by Canadian business, particularly on Canadian television. I should like to argue that this is a positive move to encourage our industry, not to prohibit Canadians from advertising on American stations. By removing tax deductibility for commercials placed outside of Canada but beamed back into this country, we are hoping to give to a Canadian industry which is now seriously disadvantaged under current circumstances a better competitive situation.

I should like to argue that it would not be feasible to try to sustain and help strengthen the Canadian television industry through tariffs. That is simply not feasible because of the particular and peculiar situation in the airwaves. It is also not feasible because we have international agreements such as GATT, and a very complicated and technical situation would arise if we tried to take this particular problem before a multinational conference. As I said a moment ago, I also want to emphasize that when you are dealing with airwaves rather than a particular material commodity, it is very difficult to legislate except by taking a positive step such as this and to offer incentives through taxation.

I should also like to point out that it is the view of the ministry that subsidies as a means of trying to strengthen and build the Canadian television industry would be inappropriate. Specifically, they would be inappropriate because there is some danger that subsidies from government going to the private sector, in an area that has such an influence over the public, would either be abused or be accused of abusing the right to independence of those broadcast outlets. So that approach cannot be taken. As I have said, this bill is simply providing an incentive for Canadian advertisers to deal more with Canadian TV outlets. Removal of tax deductibility simply improves the competitive position of Canadian TV times sales, and this bill does nothing to stop the purchase of U.S. time by Canadians in border marketplaces.

There is every justification for this action, Mr. Speaker, and even for further action. United States stations operating in border areas at the moment and penetrating severely into the Canadian audience do not have the social or content obligations of Canadian licensees. Canadian TV licences are granted on the ability of the area to support a licence. They are also granted if an area is large enough and there is enough revenue available in that area of Canada for more than one licence. That, of course, is why this legislation today is important; it is so because the Canadian Television Commission, as the regulatory body in Canada of the airwaves, is attempting to develop second private stations in major urban centres, and has in fact in one area, Toronto, already done so.

American border stations have no Canadian content restrictions. As I say, they do not have the same Canadian social obligations. The major Canadian stations that are in jeopardy at the moment because of sales to American TV stations happen to be in the major urban centres of Canada, which also happen to be very close to the U.S. border. Thus, I am sure hon. members can understand that with a nation of 260 million to the south, and a nation here

of some 22 to 23 million, Canada is hardly a threat to the establishment and dissemination of the American culture. But certainly, with no content rules, no Canadian obligation and no added costs, their penetration of our area can seriously threaten our identity and culture if that penetration undermines the very existence of healthy Canadian television. In all honesty, Mr. Speaker, I should like to say that to date the lack of action by Canada over the years since television first came into its own in the early 1950s has given the advantage to the much stronger United States stations to start with, who in addition operate without those controls that Canadian stations must face.

To leave the situation as it is would mean not just the failure of expansion, the kind of expansion that the CRTC is now attempting through, for instance, the awarding of a second private station in Vancouver to Western Approaches, or the development of the Global network in southern Ontario or City TV in Toronto; the continuing situation in fact threatens the ability of the existing stations I have just mentioned and the new ones, to survive. It will affect not only their ability to produce new, more costly and better programming, but even to maintain the programming level that Canadian television audiences now have.

Under Canadian licensing, TV Stations in major urban centres in Canada must have sufficient profits so that they are not only viable in Toronto, or Winnipeg, or Vancouver, or Montreal. Private stations must also profit well enough to help subsidize smaller stations along their network who still have a sizeable capital outlay for equipment and buildings and to meet the considerable labour cost necessary to run a television outlet no matter its potential audience. So it is not only a matter of threatening the viability of these individual private stations in the major Canadian marketplaces, but also their ability to assist smaller neighbours so that throughout Canada we can have a competitive and healthy television industry.

All major Canadian television centres—Vancouver, Winnipeg, Toronto, Ottawa and Montreal—are seriously affected by the currently heavy sales and drain of commercial revenues which buy TV time in the United States rather than in Canada. Yet the TV stations in the major urban centres to which I have just referred must find the revenue not only to be healthy themselves but to pay for programming and network costs which smaller communities cannot fully support by themselves.

● (1540)

This legislation is so important really because of double jeopardy, and it is necessary not only to the survival of these particular border area Canadian stations but the survival of the smaller areas in Canada as well who rely on the assistance of these major Canadian television centres. Enactment of this bill as it relates to television advertising will simply give Canadian outlets a better competitive position, dollar for dollar, in dealing with competitors who are not licensed in Canada and do not have the restrictions of Canadian TV even though they are dealing directly in the Canadian marketplace.

I would also like to note that this proposed amendment, Bill C-58, as it relates to broadcasting was recommended by the Standing Committee on Broadcasting, Films and Assistance to the Arts in 1973. The bill itself does two things in the area of broadcasting. First, TV advertising will not be tax deductible if the commercial is broadcast by a foreign broadcasting undertaking to the Canadian market. You can still purchase in the United States, but you will no longer get the tax credit from the Canadian government by spending your money outside the country. Surely that seems reasonable enough when you consider that the Buffalo stations are putting our Canadian stations into real financial jeopardy.

Second, multinational corporations in Canada will not be allowed the deduction of commercial advertising costs when purchasing time from foreign networks or groups of stations. Once more, this is simply a protection and is based on stopping multinational corporations operating in both countries from using the deduction up here of many dollars spent in the United States, thereby saving the cost of paying for Canadian advertising as well. It is important to note that despite the very serious situation I am attempting to outline, this bill allows time for the United States industry to regroup and fill the United States role for which it was licensed. As I understand it, all contracts concerning advertising which would be affected by the passage of this legislation signed before January 23, 1975, will be allowed to run out as long as they do not go beyond 12 months from the date of the enactment of this legislation.

If I may, I would like to go into some of the problems faced by particular border areas. Let me set down, if I can, just what the situation is in respect of time sales for television in major Canadian marketplaces, in terms of money staying in the Canadian marketplace and money going to the United States. The latest figures I have are for 1972, although we have some updating as well. In Vancouver, in 1972, $7.3 million was spent on Canadian television advertising. In the same marketplace, in the same year, more than 50 per cent of that amount, another $4 million, went to United States stations which had no programming obligations, no Canadian content obligations and no additional costs in respect of the Canadian audiences they were picking up.

In Winnipeg, $4.9 million was spent on Canadian television advertising and $1.5 million flowed out to the United States. In the Toronto-Hamilton area, $33.8 million stayed in the Canadian market-place and $9.8 million flowed out to the United States, again without any commitments or obligations in respect of programming on these United States stations intruding into the Canadian marketplace. In Ottawa-Montreal, $35.7 million was spent here in Canada for Canadian television advertising, with $1.5 million going down to the United States.

The drain in 1972 of almost $17 million is estimated currently to be more than $20 million a year, yet these U.S. border stations have no Canadian content requirements, no Canadian social obligations and are not licensed to operate in Canada. In fact, they are licensed only to operate within their own territory in the United States and under that licensing procedure, as I understand it, they are considered by the Federal Communications Commission in the United States to be economically viable operating within those boundaries.

An hon. Member: What about jamming?

Mr. Fleming: We will get to that. The advent of cable television in Canada has really revolutionized the situa-

tion. There are more benefits and more dangers resulting from cable. There are more benefits in that Canadian audiences have a much wider spectrum of programming available to them, but there are more dangers because the same multiplicity of stations available brings about a fragmentation of audience, and once audiences of Canadian television stations become increasingly fragmented, more and more of these stations will have difficulty surviving, with much less opportunity for improving programming and spending more money on Canadian programming.

Canada has now, through cable, these multiple station markets, especially in the Toronto area, which are seriously affected by sales of commercial time in the United States to Canadian business. I want to point out that United States stations have not, as I said earlier, licence obligations in Canada, but through cable do have the tremendous advantage of this build-up in diversity of programming. Perhaps the most significant argument we hear from areas such as Buffalo about the great injustice of what is currently happening or potentially will happen is the jamming of commercials on Canadian cable.

Let me point out the situation at KVOS in Bellingham, Washington state. That station purchases programming from the American network of which it is a member. It pays only according to the United States audience it has, but pays nothing for the Canadian audience to which it also beams and from which it also picks up so much money, to the jeopardy of our industry. It pays not a penny for its programming to Canadians. That becomes especially incredible when you think of a station such as this which the Federal Communications Commission has allowed to move its transmitter closer to the Canadian border in order to further penetrate into Canada, yet its United States sales are only 15 per cent of total time sales—85 per cent are in Canada. You can imagine the impact this has on Canadian stations. The United States audience is only a minute part of the over-all audience, yet these stations buy their programming only in consideration for the United States audience.

If you multiply by 20 or 25 years the figures I gave earlier in respect of the current drain to the United States, about $20 million annually, directly for the purchase for particular U.S. TV markets of television time by Canadian businesses, you come up with a figure that is very conservatively estimated to be in the range of one-quarter of a billion dollars that has flowed to the United States since the early fifties. That money could have sustained our own industry, and surely it is enough to have built the buildings, purchased the equipment and paid for at least a few years for all the staff costs of these American stations. At the same time, they have yet to pay one penny more for their programming because Canadians are receiving it. They have not had to produce Canadian public affairs programs or Canadian news. They have not had to represent one area of Canada to other areas of Canada. They have had none of these obligations, yet they have received this massive windfall.

● (1550)

I think I pointed out a few moments ago that KVOS in Bellingham was selling 85 per cent of its time in the Vancouver market. The fact is that the FCC, which at the moment is considering a jamming recommendation for the Buffalo stations, failed to say anything for 20 or 25 years and even assisted Bellingham by allowing it to move its transmitter closer to the Canadian border. The Buffalo stations, whose own marketplace is one half the size of the Toronto market place, have managed until recently to have almost twice as many television stations as there are in Toronto.

If one looks at the profit and loss sheets of the United States television stations in Buffalo, with one half the licensing area in the United States that there is across the lake in Toronto—and the situation in Bellingham is a minute fraction of the Vancouver marketplace—one will find that these are among the most profitable television operations in the United States. So is it unjust, even before Canadian licensing restrictions are considered, and when they have such advantages in programming and programming costs, that we should take this beginning step for the rescue of our own industry?

Over the 24 or 25 years that all these Canadian dollars have poured south of the border, these stations, to my knowledge, have never been questioned about their huge windfall gains by their own regulatory body, the FCC. Now, when we try to protect our own, we hear angry cries about the morality of windfall gains such as taking United States programming which enters our airwaves while rejecting commercials out of the United States. Surely, on moral and ethical grounds such indignation from the U.S. rings very hollow indeed.

For years their windfall gains have made them among the richest of the United States stations, despite the fact that they are among the smallest U.S. licensed stations serving urban areas. That windfall threatens our entire industry. If we in turn have United States programming and pay nothing for it, then under United States licensing not only are we not contravening any of their rules but also we are not costing them anything. In that case, what are we doing that is so wrong, and why do they cry so loudly and angrily at this point in time?

There are several unique situations, such as the border areas of New Brunswick, the area represented by the hon. member for Carleton-Charlotte (Mr. McCain), where there are problems. As I understand it—and the hon. member addressed himself to this matter a few days ago—small businesses in that area have a problem in respect of the availability of space on radio stations in Canada. I would like to say that the Canadian Radio-Television Commission is aware of this situation and, as I understand it, already has had an expression of licensing interests from at least one source to operate in Canada and to alleviate that problem. But it is precisely this kind of area which will only be able to have truly successful Canadian broadcasting available, especially in television, if the larger centres are properly protected and encouraged and can thereby help offset costs, especially in programming in less populated regions.

In discussing Bill C-58, I have tried to outline broadly the very critical problem the Canadian industry faces. In doing so I have not only discussed the very real urgency of Bill C-58 but also some of the reasons further action such as commercial deletion is now being tested and considered. It is very important, however, for all hon. members to understand that on the issue of Bill C-58 as it relates to

advertising on television, there has been absolutely no criticism nor protest from the United States government. We are amending Canadian tax laws quite appropriately to aid and encourage our own industry.

Some have argued that Canadian advertisers cannot buy time on Canadian television. Such a charge is simply a misunderstanding of the current situation. When the CRTC allowed the expansion of second, private stations in major Canadian centres it then became especially crucial to try to limit the outflow of Canadian television advertising dollars. There is time available on Global and City in Toronto. For instance, in the British Columbia area, when the new private station owned by Western Approaches goes on the air in less than a year, positive action by the Canadian government such as the amendment in this bill will be absolutely crucial for its survival.

While availability of time and cost of time is very complex, suffice it to say that unless Canadian advertising dollars are concentrated here during prime time and non-prime time, peak seasons and non-peak seasons, we will not have good Canadian programs, much less programs that can begin to compete with the much more costly products of our neighbours to the south.

One aspect of the loss of television time dollars in Canada that few people have considered is the millions of dollars never spent here because multinational advertisers can purchase network spots in the United States and at no cost at all make a major penetration into Canadian markets. Aside from the approximately $20 million a year lost through United States television time purchases in particular American border station locations, millions and millions more are lost simply because those border stations in their national advertising and network operation reach millions of Canadians at no extra cost. I do not think it is unselfish to argue that corporations selling the same products to Americans and Canadians should be prepared to pay as much per capita on advertising to Canadians as they do to Americans. At the moment, that is certainly not the case.

I would like briefly to refer to news reports and opinions expressed by some of Canada's major media participants and critics on the subject. Global is one of the new Canadian television operations that began with the greatest of hopes as an initiator of new Canadian programming. They hoped, also, to give exciting quality aspects to programming that they argued had not been available in great quantity before. Now, because of the situation I have described, Global is in serious jeopardy and is accused of not meeting its Canadian content requirements. Yet what places it in jeopardy are the stations that have no Canadian content requirements and no programming costs relative to their Canadian audience. Perhaps I could quote the president of Global Television, Moses Znaimer, in his article in the *Globe and Mail* of November 5, 1975. He said:

> From the American point of view, that's what the border war is all about: money, profits. The rest of the shouting about morality, about legality is a sham. Over the years, we Canadians have paid for every brick, every camera, every bit of technical facility in Buffalo's ABC, NBC, and CBS affiliates five times over. In the Toronto-Buffalo area alone, what's at stake this year is roughly $10 million: on a nationwide scale $20 million: in all probably a juicy $250 million since the porkbarrel began.

Non-Canadian Publications

Znaimer also comments in the same article about the U.S. industry's reaction to this bill even before it has been adopted. He and others in the industry charge that some Buffalo stations have cut their rates and are, in a manner of speaking, dumping U.S. commercial time in Toronto. Znaimer says in the article:

> It's a measure of the super profits that U.S. border stations have been able to generate, that they can cut their rates by 50, 60 and even 75 per cent on the Canadian side of the border only and still continue to do very nicely, thank you. Why not? As companies, they were created to be viable in their markets of origin. Everything else, all of Canada, is gravy. A free ride. (Buffalo opposite Toronto is a small, relatively unimportant market in U.S. terms. Bellingham opposite Vancouver is a town the size of a yawn. Yet, network affiliate stations in these towns have consistently, astonishingly, ranked among the most profitable in the United States).

Some of the Buffalo stations deny this so-called dumping and say they have cut their rates simply for seasonal sales reasons. The information available to me has put that claim in some doubt. Toronto *Star* television writer Jack Miller, on October 6, 1975, made a very good case by comparing how the FCC protects one American community from another but has no similar obligation and does not do so when a Canadian market is jeopardized. He wrote:

> If this happened between two U.S. cities, it promptly would be vetoed by the Federal Communications Commission in Washington as grossly improper.
>
> Say, for instance, that because of cable TV people in Rochester were able to see Buffalo stations as well as they could see their local one. Theoretically, the Buffalo broadcasters could go to all the Rochester advertisers and use the same argument they use in Toronto to pick up some outside business.
>
> But no, says Washington, that's not the American way. The Rochester stations are licensed to serve Rochester and they are obliged to provide local newscasts and other local program services for Rochester, so in return for that service they deserve to be protected against competition from outside stations which don't do anything for Rochester.

Miller goes on later to say:

> But as for protecting local TV, stations in Canada—well, that, of course is not Washington's business. It is something for Canada to worry about.

● (1600)

Miller, later in his column, shows the difficult problem Canadian television producers have. He says:

> Whereas a U.S. network program 60 minutes long might have a budget of $250,000 for its production, a Canadian equivalent on commercial television might get $40,000 on a good week.

Meanwhile, remember that those U.S. border stations get that much more expensive programming at a cost spread over the much larger U.S. population and the border stations particularly only buy that much more commercial production according to the portion of their audience that is American.

Bill C-58 can only be a beginning, but an important beginning, in rectifying the situation for our own television industry as it is affected along our border with the U.S. If this so-called dumping is taking place, then we have U.S. border stations already attempting to circumvent the laws of this parliament before that law is even passed. Canadians have always paid their way, sometimes too dearly. In this particular situation, hundreds of millions of dollars in windfall profits have already gone to U.S. television operations which not only have more expensive pro-

gramming but pay less for it per capita than our Canadian private stations generally pay for less costly Canadian programming. Meanwhile, those U.S. border stations do not even pay for the programming their Canadian audience receives. They do not have the same licensing requirements, the same content obligations nor the same social policy commitments as Canadian licensees. Surely, with all those advantages in mind, it is not unreasonable to suggest that good things sometimes must end, especially when somebody else who can afford it much less has been paying the price.

The Acting Speaker (Mr. Turner (London East)): Order, please. I should like to inform all hon. members that the House leaders have met and agreed that when the debate on second reading of Bill C-58 has been concluded later this day, the vote will be deferred until 9.30 tonight, followed by the vote on the opposition day NDP motion. The bells will ring for 15 minutes. It is also understood that at the conclusion of both votes, the debate on the postal strike will resume and continue until its conclusion.

Mr. Peter Elzinga (Pembina): Mr. Speaker, in participating in this debate let me begin by saying that Bill C-58 has no over-all policy with regard to periodicals published in Canada. If I were convinced that the removal of these tax concessions would truly help the Canadian publishing industry, I would find myself in favour of this bill, but that is not the case.

It would seem that the Department of National Revenue is in the field of journalism. This rather unusual situation is the result of proposed changes in the tax legislation which we are discussing now which will affect *Reader's Digest*, *Time* magazine, three trade publications and four newspapers in Canada. According to the former minister of national revenue, the Department of National Revenue will judge whether these publications will qualify as Canadian. The guidelines require 75 per cent Canadian ownership and content which is 80 per cent different from that in the parent publication. I can see some justification in having ownership and editorial control reside in Canada. However, there is no justification for a content quota. Tax authorities will not limit themselves to content, either; in each case they will decide if the publication's name and format must change.

What does the Canadian government hope to gain by this? It certainly has gained the favour of publications competing against *Time*, *Reader's Digest*, and the others. But does anyone really gain anything? It is fine to say that these publications must be 80 per cent different from their parent publications, but how is that difference to be judged, and by whom? Will difference in content mean that the stories used in the Canadian edition must be written differently? If so, is it not possible to change eight out of every ten words in a story to meet the 80 per cent limit? Does it mean that 80 per cent of the stories cannot be the same ones used in the foreign edition? That might involve dropping major news stories because they occur outside Canada. Will 80 per cent of the stories have to mention Canada? That is fine if we want to isolate ourselves from world events. Canada may be big and important to Canadians, but it is only a small power on the international scene.

[Mr. Fleming.]

Readers of *Time* want international news. If they cannot get a Canadian edition that gives them international coverage, they will simply subscribe to the American edition. Is the government then going to stop American publications being mailed to Canada? Just who will judge the content of the publications affected? Will it be a group of civil servants whose only contact with the print media is the morning paper thrown on the porch by the delivery boy, or will, perhaps, the Department of National Revenue ask the editor of *Maclean's* for advice?

Our Secretary of State (Mr. Faulkner) is also in the game. He has set out a number of requirements designed to push up the cost of publishing these periodicals. The theory is that as advertising costs go up, more dollars will go to all-Canadian publications. Unfortunately, theories do not always work out. In all probability this money will go into other areas of advertising.

Why is that? Because readership, not nationalism, governs where advertising is placed. Increased readership will not come by killing the Canadian editions of the affected publications. It is a simple matter to subscribe to the American editions. Increased readership comes with improved quality. Senator Keith Davies, in his report on the mass media, was concerned about the poor performance of many newspapers because of lack of competition. It seems contradictory that he would recommend, and the government would implement, a step that would destroy any competition in the area of weekly news magazines. By weakening *Time* Canada there are high hopes that a new, all-Canadian weekly magazine will be created. But will it be a strong, truly national magazine, or will it be national solely because it is the only weekly news magazine published in Canada? We, as Canadians, will gain nothing from this government's move in this legislation.

The government is playing games with us by interfering with content, licensing agreements with foreign publications and changing the tax structure so it will work against these publications. The government is taking this action in the name of nationalism, but the evils committed in the name of nationalism are countless. Behind this smokescreen there is still censorship. I am sure that all hon. members have received a great deal of correspondence concerning this bill. I, personally, have received hundreds of letters on this one issue. There is one letter that I wish to share with hon. members today. It comes from a Mrs. Newnham of Box 52, Jarvie, Alberta, who writes:

Dear Member:

I wish to voice my protest against the legislation being proposed to abolish tax deductions for advertisers in the Canadian editions of *Time* magazine and *Reader's Digest*, which could possibly lead to the discontinuance of these publications.

Why have the people most concerned about the government's proposed action—the reading public—not been approached, to learn their views? And have the advertisers themselves been polled to see what their reactions would be were these magazines to leave the Canadian market? Would they immediately transfer their business to *Maclean's* or *Chatelaine*? I doubt it.

According to statistics, there are 1,500 Canadians whose livelihood depends on *Reader's Digest*, and possibly a like number employed by *Time* magazine. If the Canadian editions of these two magazines fold up, that means another 3,000 people out of work. That many more on welfare for the Canadian taxpayer to support?

And if it is bilingualism that the government wants to promote, why drive out *Reader's Digest*? These controversial tax deductions might

well be thought of in terms of money well spent on advancing the French language. Many students use the French edition of *Reader's Digest* to further their command of the language.

If the Canadian edition of *Time* were discontinued, Canadian subscribers would be deprived of much Canadian news which we get in no all-Canadian magazine, and—let's face it—*Time* magazine has a style all its own which no all-Canadian publication can begin to emulate. *Time* also gives us information on the workings of our own government, which we do not get in *Maclean's*.

● (1610)

With reference to *Maclean's*, I would suggest that the government institute a thorough investigation into the Maclean-Hunter racket—the way they train their agents to go out and exploit people, especially the elderly. I have experienced their high-pressured salesmanship tactics. I wrote a letter of protest re this to Maclean-Hunter about three years ago, but to date have received no acknowledgment.

If we must have Canadian content in our magazines, what value is there in such drivel as "Lives of Girls and Women" in the February, 1975, issue of *Maclean's*? Compare this with "The Women of Saskatoon" or "Women of Edmonton—Pattern Breakers" in the February and April issues of *Chatelaine*. *Chatelaine* is a worth-while magazine, but some of the contributors on the staff of *Maclean's* leave much to be desired. The *Reader's Digest* has them both beaten for interesting, informative content, and should the Canadian editions of *Time* and *Reader's Digest* be withdrawn, I, for one, will drop my subscription to *Maclean's*, at least, and subscribe to the American editions of the others, whatever the cost—and I know many other subscribers who would do likewise.

Yours sincerely,

Helen M. Newnham.

Here is a letter from a couple who have dedicated their services to Canada for many years. All they want in the later years of their lives is some good reading material. The thoughts expressed in this letter have been expressed by many thousands of Canadians across the country. As I said at the beginning, this bill in no way constitutes a periodicals' policy in Canada. It is a negative step instead of a positive one, and it is my hope that most members of this House will agree it is not the type of legislation we wish to pass.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, it is with utmost pleasure that I take part in this debate on Bill C-58. Needless to say, this legislation attacking magazines such as *Sélection du Reader's Digest* and *Time* magazine will have disastrous repercussions.

These publications are basically for the average person and adequately meet the requirements of the Canadian people. This is clear from the numerous letters received from my constituents after the announcement, by the Secretary of State, of the impending amendment to section 19(2) of the Income Tax Act.

Mr. Speaker, let me take this opportunity to air in this House my constituents' views on the subject, especially since they asked me to do so. To that end, I would quote from certain of the letters received.

I therefore enter into the record some excerpts from a letter from a lady in Sayabec:

As I have been a faithful reader of *Sélection du Reader's Digest* for about fifteen years, I want this magazine to continue to be available in our homes and schools. It is an interesting magazine since everyone wants to read it.

This same lady went on to say:

This magazine has international interest and can draw articles both from Canada and other countries and knows how to interest its readers in the fields of science, history, family and even recreation. There is nothing vulgar or distorting about this magazine and it could take the place of many others. Its publication certainly does not affect Canadian magazines and its loss would leave a great void for its French-speaking and English-speaking readers.

Another letter that I received from a lady in Mont-Joli said, and I quote:

I believe that most of us would be proud to own a magazine such as *Sélection du Reader's Digest*.

Every member of the family likes to leaf through this magazine which contains a great variety of articles. This pocket-book type of periodical is very useful to me for school work, and I can also use it as a bedside book.

I am very satisfied about this publication in its present form, and moreover, *Sélection du Reader's Digest* tries to meet our needs.

We can therefore conclude, Mr. Speaker, by saying that all the letters that I have received expressed the same opinion. It is easy to see that these people are concerned about the fact that the Canadian government is trying through this legislation to eliminate a publication like *Sélection du Reader's Digest*, which contains excellent articles that anyone can read.

In other words, Mr. Speaker, in general, all the letters that I have received from my constituents certainly favour maintaining *Sélection du Reader's Digest* and are completely opposed to the passing of this bill. I can very well understand this, Mr. Speaker.

Indeed, *Sélection du Reader's Digest* is very interesting and enables all classes of society to read marvellous articles. This magazine provides an opportunity to a great number of people to travel round the world at very low cost.

As for the contribution of the magazine to the Canadian economy, *Sélection du Reader's Digest* has an annual turnover of some $30 million, 90 per cent of which is spent on Canadian soil. In addition, almost 500 Canadian employees take part in its publication.

As for its contribution to the Canadian culture, it is easily realized that the contents of each English or French issue is entirely written in Canada and that in addition some 80 editors, graphic artists and artists work to publish the magazines and the various books offered by *Sélection du Reader's Digest*. Moreover, it is easily noted that many Canadians have had the opportunity of becoming acquainted through that magazine.

Mr. Speaker, considering the very high standard of those magazines, I am compelled to object to that bill, because I feel that it is essential to let the Canadian people continue to read those fine magazines which have already proven themselves.

Mr. Béchard: Mr. Speaker, would the hon. member allow me a question?

The hon. member for Rimouski (Mr. Allard) seems to want us to believe that the government, through this bill, wants to eliminate *Reader's Digest*, and that Canadians, including the people from Rimouski and Gaspesia will no longer receive this magazine. Does he really believe this, because there is no question that *Reader's Digest* will disappear, is there?

Mr. Allard: Mr. Speaker, I am happy to answer the question asked by the hon. member for Bonaventure-Îles-

de-la-Madeleine (Mr. Béchard). I suppose that some people read *Reader's Digest* in Bonaventure, as others do everywhere in Gaspesia and Magdelene Islands. I feel that *Reader's Digest* is being discriminated against at this time, and I cannot see how people could be harmed if we continued to apply the same policy.

I think, Mr. Speaker, that the hon. member should join us and urge the government to decide at long last to take a position and to continue to favour a magazine such as *Reader's Digest*, that I read as well as my family, so that a great many people who live far from libraries and large centres, may know what is going on first of all in our own country and then in the rest of the world.

[*English*]

Mr. F. A. Philbrook (Halton): Mr. Speaker, I rise to support Bill C-58.

An hon. Member: You would.

Mr. Philbrook: That's right, I would; and you will see why in a minute. This bill seeks only to eliminate a few exceptions. It does not seek to discriminate against any existing policy. It supports the Canadian media industry but not the larger, foreign media industry. Canadians are justifiably patriotic but also international in outlook. We should value information from other countries, but not more than from our own country. There is a welcome place for foreign communications here, alongside strong and independent Canadian counterparts.

● (1620)

Bill C-58 covers television also, but let us talk first about magazines. My colleague, the hon. member for York West (Mr. Fleming), covered the television aspects this afternoon. *Time* and *Reader's Digest* are unquestionably the most widely read foreign publications in Canada. They have produced what they call Canadian editions and invested and operated in Canada to a greater extent than most foreign publications, which is to their credit. But they also profited well by the deal. Nonetheless, they are not, and will not be, classified as Canadian magazines until they are truly Canadian and meet all the criteria established by the government which represents the people of Canada; and they are not entitled to share in any special privileges granted to Canadian publications until they do so qualify. In recent times they have been given their chance to conform to our definition of Canadian publications but have not conformed. So, such exceptions are not justified. It might even make sense to put all publications, foreign and Canadian, on the same tax basis, but not at this time.

The small Canadian publishing industry historically has had some difficulty in competing with foreign publications. It has asked the Canadian government to support it until it is self-sufficient. This support has been given in the form of special tax concessions to its advertisers to attract advertising dollars to domestic magazines. To some extent this has helped, but not enough yet. Is any of this surprising for a young nation struggling among established powers?

Why do our own institutions need such help? Obviously, they need it partly because other countries have bigger, stronger and more established economies and home markets to support all their enterprises. Some Canadian apologists complain that our Canadian products are inferior and do not deserve the support of the Canadian government. "Let them stand up and compete like adults," they say, "and not be molly-coddled." Even if such criticism is true, Canada needs its own best communications and cultural systems and all possible steps must be taken to make it a reality. We are determined to be a sovereign nation, with all due regard for our giant neighbour to the south and the rest of the world power blocs. Therefore, certain key areas must be safeguarded. The media is certainly one of the most important. Most of us agree that the necessary ability exists here in Canada. We need a solid, concerted national effort to put that ability to full use.

One wonders why two major foreign magazines, plus a few minor ones, were ever granted the same privileged tax exemptions as Canadian products. Other foreign publications were not so lucky and yet have survived. Also, they had every right to complain of discrimination compared to *Time* and *Digest*. These exceptions do not make any sense at all. *Time* and *Reader's Digest* are rich, powerful companies. They are well established by now. Their American editions will continue to sell well here. If other foreign publications can afford to operate here without special tax concessions, why can't they? They can, but they obviously prefer not to. They are determined to keep their special privileges, as though they were Canadian, yet they would not expect the corresponding situation to be tolerated in their own country. The U.S.A. safeguards its own.

How did these exceptions occur in the first place? Was Canada so hard up for culture a few years ago that it would give up anything to get the most popular publications available at the time? Did we let the powerful U.S. government bully us into accepting these magazines on their economic terms? Did we just not think enough at the time about all the implications of being colonized in this way, socially, culturally and politically?

There are certain other irritants in the situation, certain subtle malinfluences with which we put up over the years. They are not the reasons for Bill C-58, but are relevant. They include *Time's* political propagandizing on behalf of the ultra conservative, right-wing philosophies of the publisher, Henry Luce, and his cohorts and *Reader's Digest's* red-baiting, intolerant lead articles. Both magazines were in business when Canada was trying to develop its own independent, moderate way of life and promote a more peaceful, tolerant world instead of stringing along with a pernicious cold war. Thoughtful students were aware of these insidious influences back in the early 1950s. Undoubtedly, too many Canadians were exposed to such early subliminal propaganda. The situation has changed. Now Canada is stronger, richer and more capable. We can profit from international exposure but must, at the same time, move forward with our national development of a dominant native press.

Some Canadians have charged that Bill C-58 simply represents crass commercial favouritism toward central Canada, Toronto in particular, specifically the Maclean-Hunter enterprises. Well, these Canadian institutions are there and open for the participation of all Canadians. If that is not enough, Canadians can start their own enterprises in the east or west, relieved of the burden of compet-

ing with two specially supported magazines in Canada, *Time* and *Reader's Digest*.

Some critics proclaim that most of their letters on the subject oppose Bill C-58. Of course they do; that is the kind of negative mail members learn to expect on any subject. But the polls were not opposed. Neither the professional polls nor small, private polls of the kind conducted by members showed that the people opposed Bill C-58, despite *Time* and *Reader's Digest* having mounted one of the biggest, most intimidating lobbies and publicity campaigns in Canadian political history. Last spring I conducted my own newsletter survey in Halton riding. Despite the work of the lobby, only 34 per cent of those answering opposed Bill C-58. About 44 per cent were in favour of the bill, and 22 per cent had no opinion. Even more significantly, fewer people answered this questionnaire than had answered other questionnaires. Clearly, the power lobby has created less interest in this issue than exists with regard to crime and labour strikes.

Some people take the pessimistic view that even if foreign competitors are helped less, Canadian magazines like *Maclean's* will remain bogged down with poor quality, little sales appeal and remain hapless nationalistic efforts. To some extent past criticisms were warranted. Articles and sections were weak, frivolous, dilettante, irrelevant, in bad taste or otherwise unworthy. Oddly enough, the bad stuff has existed side by side with good quality stuff. All the same Canadian writing and reporting has shown enough promise to warrant our support, and this is especially true at present. The new *Maclean's* news magazine format is a substantial improvement. I commend its capsule news highlights called "Preview", its large more comprehensive "Canada" section dealing with current events, its good international coverage in the "World" section, and the balance of feature articles, freewheeling interviews with important Canadians, and special subject sections.

Saturday Night has also made a strong comeback as a specialty magazine. Recently, a fine news magazine, *Canadian Review*, has begun publishing from Ottawa. These are truly Canadian magazines which will continue to grow and develop with our support and constructive criticism. I point out that already, in this new climate of interest and support, the Canadian magazine industry announced recently that it has enjoyed its best year ever. One of these days, our Canadian publishing industry and other media, like TV, may not need special support from our people. That will be a great day. Right now, our media need such support, which we will not hesitate to provide, without exceptions. Canadians will watch expectantly for results which will justify this support.

One of these days, Mr. Speaker, Canadian doubters and apologists will be proud and anxious to claim credit for Canadian media which have become distinctly Canadian, sovereign and as good as any in the world. They will be as proud of our media as they are of our Canadian film and music industries, Expo '67, the forth-coming 1976 Olympics and many other Canadian achievements. The fact is that *Time* and *Reader's Digest* will continue to function and to be welcome here, Canadian editions or not, Bill C-58 or not. Just this afternoon I received a telegram from Mr. Stephen LaRue, the president of *Time* magazine, as I am sure other members did, complaining about the 80 per cent

Non-Canadian Publications

Canadian content rules announced by the Minister of National Revenue (Mr. Cullen) here in this House of Commons as far back as October 23, 25 days ago—a dubious, last-minute manoeuvre on a very important subject. I read it and I must say that it did little to change my mind on the subject.

• (1630)

It is a privilege and an honour to speak in support of Bill C-58 and Canadian progress.

Mr. David MacDonald (Egmont): Mr. Speaker, this matter has caused considerable debate, not only recently in the bringing forward of Bill C-58 but in the whole development in recent years about the degree to which Canadians can exercise some autonomy and activity within their own communications industry. One cannot be overly optimistic that this action by itself is going to bring the utopia that many people would like to see occur in terms of increased opportunities for Canadian self-awareness and opportunities for Canadian craftsmen and various aspects of the magazine industry to make their impact felt to a greater degree.

While the substance of this bill is extremely short in terms of amendments to the Income Tax Act, the implications and the symbolic value to Canadians are obviously great. If the minister were asked the question today, I think he would indicate that no issue with which he has been identified during his time in office has generated more public concern, mail and heat, both outside and within his caucus, than this particular issue. I am sure he is well aware that while the action itself, in terms of legislative change, is not overwhelming, the implications and repercussions are great.

This is a kind of classical Canadian situation. We are in an attempt, if you like, to redress a balance which has swung increasingly against us as a people. We take a means of communication which has been popular for many decades, that of magazines. We realize that increasingly we have lost the ability to publish and communicate among ourselves in this country, not through any diabolical intent on the part of any individual, organization or government but simply in a general situation which continuously confronts this country, that of being neighbour to and closely associated with the most powerful nation in the world, not in just a military and economic sense but in the way in which the American people have excelled beyond any other in their ability to communicate and to register their ideals and ideas.

In 1961 I took a trip around the world. I visited some countries that I thought were far removed and underdeveloped. I remember in particular one sunny afternoon travelling through the back streets of Bangkok. I thought that surely to goodness nowhere in the world, on that day, could be further removed from the civilization that I knew than these little water streets, canalways, that existed in the back areas of Bangkok in Thailand. Can you imagine my surprise when I looked inside a little thatched hut on the water's edge and saw two things that reminded me of the sheer weight and energy of the American civilization from which I came, a bottle of Coca-Cola and an American television set. There was an instant awareness in that Thai household of a whole value system, a whole sense of

identity that existed for a people halfway around the world. That was in 1961, 14 years ago.

Mr. Darling: Wasn't there a copy of *Reader's Digest*?

Mr. MacDonald (Egmont): I did not get close enough to see whether there was a copy of *Reader's Digest* or *Time* magazine. If there had been, it undoubtedly would not have been an English edition; it would have been in a language I would not be able to read.

Mr. Baldwin: It was probably bought in the local Sky Shops.

Mr. MacDonald (Egmont): I did not have a chance to visit there. It is perhaps interesting to note that since 1961 we in this country have been seized with two special committees of the other place, one headed by the esteemed Senator Grattan O'Leary and the other by the well-known and, in some circles, much respected Senator Keith Davey. They found themselves in substantial agreement that definite action had to be taken with regard to the deteriorating situation in the magazine industry in this country. I know that I am not going to contribute too much that is new, exciting and novel at this point in the debate—

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): —but I will give it a good try. I will, hopefully, sum up and distil some of the wisdom that has pervaded this debate in the many days since its inception. Hon. members know that in 1950, in Canadian magazine circulation only 28.8 per cent of the magazines that were for sale or that were in circulation at that time were either of significant Canadian content or were Canadian-owned. What has happened in the meantime, in spite of the increased awareness and ability to communicate in other fields—I think of the expansion of television and the more recent expansion of feature film production in this country—has been a decline. The latest figures I have, which are for 1974, indicate that only 15.2 per cent of magazines currently in circulation in this country are what can be designated as Canadian. In total figures, in 1974 Canadian publications were some 29,467,000; American publications were some 193,288,000. That is not a fact with which Canadians can live very comfortably.

It is not a good thing to know that such a heavy aspect of one means of communication which serves as a major source of information for the development and further refinement of social and cultural values is so totally controlled by an outside source. I think hon. members know me well enough to realize I am not one who raises the flag of strident or superficial nationalism or one who feeds off a kind of virulent form of anti-Americanism. I simply believe that a country as mature and as sophisticated, and with the potential we have, should not have to rely upon or have the dependency that it does with respect to the magazine industry.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): If the figures that I have used with respect to the general circulation of magazines are disturbing, particularly the decline from 28.8 per cent in 1950 to 15.2 per cent in 1974, the general availability of publications is even more shocking. In 1974, newsstand sales of magazines indicate that 97 per cent were United States magazines in origin, and 3 per cent were Canadian. That can only be considered a shocking situation, one that has to be resolved. I have to say at the outset that while I support the effort that the minister is bringing forward in this bill, I am very disturbed that there has been evidence of very little action with regard to the general availability of magazines in newsstand sales. I will deal with that a little later.

● (1640)

I do not think it is enough simply to apply this change with respect to the Income Tax Act unless we are going to deal with some of the related factors that can make a reality of what I am sure the minister and his colleagues are concerned about there.

I mentioned my own experience in 1961 with the kind of pervasiveness of the American communications industry. I should also indicate that while we have had the O'Leary and Davey commissions in the last decade and a half, in actual fact as long ago as 1922 the magazine publishers' association of that day requested a tariff on foreign publications. So what we are dealing with here is not something we have suddenly discovered during the last few years, or even since the end of the Second World War when many people talked about the developing sense of a Canadian identity. The problem, of course—and it has been put repeatedly, one might almost say ad nauseam—is that there has developed in recent years a considerable sentiment and affection for two specific publications which have received a kind of special status under the present Income Tax Act. I am referring, of course, to *Reader's Digest* and *Time* magazine.

The claims—and of course we have all received mail, phone calls and representations of one kind or another—have suggested that these are important Canadian publications, in spite of the fact that they are part of large multinational corporations which find their homes in the United States. The fact of the matter is that in the case of *Time*, up until 1974 only 18 per cent of the content of this magazine could be considered in any way as Canadian, and with respect to *Reader's Digest* about 24 per cent. I have not followed at all closely the actual percentages present in recent issues of both publications, but I am willing to suspect that they have increased somewhat in an attempt to head off what has been a very obvious commitment to try to redress the balance to a more satisfactory level.

There is no doubt, Mr. Speaker, that when we think of the possibilities for the Canadian magazine industry, an essential problem is the fact that roughly 50 per cent—50 cents in every dollar—spent on general magazine advertising in this country is spent in the pages of *Time* and *Reader's Digest*. That amounted, in 1973, as I understand it, to close to $16 million. I am not aware of the figure for 1973 or 1974, but realizing inflation to be a factor everywhere I presume it was substantially over the $20 million mark.

What is of interest to me—and I do not wish to get into a long tirade here regarding *Time* or *Reader's Digest* because I think they are big enough to look after themselves—is that with respect to *Reader's Digest* in particular they have indicated as recently as in their last annual report that

more than 50 per cent of their revenue is not from magazine sales. As a matter of fact, it comes from the mail order items in which it specializes—a variety of books, records and other items. Of course, these are well publicized in the monthly issues of *Reader's Digest*.

Some people have put forward the argument that we will be creating difficulties for both *Reader's Digest* and *Time* magazine in the changes being proposed. However, it seems to me that anyone who takes that position should be consistent, and since *Reader's Digest* has already indicated that more than 50 per cent of its revenue comes from mail order sales, then perhaps we should argue the same way for the Sears-Roebuck catalogue or for other publications which essentially want to advertise goods and services. That is really the kind of service being provided by *Reader's Digest* and I do not think it was ever the intent originally, when the amendments were made, to give a tax advantage for that purpose to these two publications.

I wish to make clear at the outset that I have been a long-time reader of both *Time* and *Reader's Digest* and expect to go on being so in the future, agreeing with them when I can and perhaps more often disagreeing with them, but in the main thinking that these are two publications which are worth having around because they do provide contact with a value system and sometimes an information system which is worth looking at. It is when it becomes so pervasive as to dominate substantially the Canadian scene that I think it becomes quite disturbing.

Quite frankly, I have never been happy with the fact that in the case of *Reader's Digest* the whole business of editorial content was one which was subject to approval by the parent office in the United States. Any company, regardless of the debate we may carry on respecting the percentage of Canadian content, which has to rely for a final content position on a board of managers of group of editors outside this country will have rough sledding with me in making that kind of an argument stick.

The basic question many of our people are asking is: Will the action the government is taking effectively make these two publications unavailable? While Messrs. LaRue and Zimmerman may have made certain noises in that direction, the facts of the matter are obvious; they are not going to stop publication, nor are they going to cease to be available, and they will not likely cease to carry Canadian content because they know that all these things sell magazines as well as selling the extras which go along with the magazines, and that they are part and parcel of being in the magazine business.

Two things may well happen. It may well be that some impact may be felt in subscription costs, but there has already been a substantial move in that area over the last few years and I do not expect to see much change. There may be some change with respect to advertising costs, but I am inclined to think they may be made a more attractive proposition to those Canadian companies who still think it in their interests to use the pages of these publications for some advertising opportunity. My essential concern is to equalize the opportunity for Canadian publications and, hopefully, to make the difference for some which are marginally or close in terms of being a make or break proposition.

I noticed in recent days, and earlier too, a good deal of strife and reaction in some of the editorial columns of the newspapers of this country talking particularly about the freedom of the press. It seems to me they missed one essential point. There can be no freedom of the press if there is no press in the first place. They, above all others, should realize this and with the deteriorating situation respecting magazine publishing and distribution on a proportionate basis in this country, it is just unbelievable that newspapers which have themselves sometimes been put in an invidious position should show what I think is a very narrow and chauvinistic reaction to what is being attempted here.

A question of more basic concern, perhaps, is the degree to which revenues may be diverted to assist other Canadian publications. There have been surveys done, I believe by Canadian Facts Incorporated, indicating that most of the revenue diverted from *Reader's Digest* and *Time* would go either to Maclean-Hunter—which is considered something of a big, bad wolf in this proposition—or to other non-periodical media, essentially not to other Canadian publications.

In the first place, I would regard even that as a net gain, although I would have some concern if that were the sum and substance of it. But if in fact some of this advertising revenue does go to other forms of media, that will not be bad, in my estimation, because we are fighting some other battles in other areas and I think they could receive some assistance there. If it goes to Maclean-Hunter, I would have mixed feelings about it because I am not totally happy about having one very large centre of magazine publishing, not only in the sense of Maclean-Hunter which has a large number of trade periodicals as well as the sort of flagship in *Maclean's* magazine, but for two basic reasons. First, because I think any concentration of communication in one source may not be healthy for a country; and, second, because as a person who does not come from the centre of the country but from one of the so-called disadvantaged regions, I get somewhat upset at the degree to which everything that is happening in the country gets focused and interpreted by the people who walk up and down the streets of Yonge, Bay or Bloor. I think Toronto is not the beginning or the end of this country. Therefore, I hope that more than just this particular magazine empire will be assisted.

● (1650)

I think one of the reasons we have had a bit of imbalance with respect to the Canadian magazine industry, even with respect to the degree to which Maclean-Hunter is such a major publishing giant in this country, is that only a company as large as Maclean-Hunter has been able to resist the kind of overwhelming competition created by the *Time* and *Reader's Digest* situation. Quite frankly, I think development of alternative assistance and the availability of alternate moneys for advertising revenue will be of very great importance in terms of ensuring that there is some levelling out, some dispersing, if you like, of magazine activity across the country. I have every reason to believe that the assessment made by Canadian Facts Incorporated as recently as the last couple of years is not entirely accurate. It is no thanks to this government that there has

been a good deal of improvement in the prospects for magazine publishing in this country.

I realize that we have passed the day and age when we will have a number of national, slick, glossy magazines similar to *Life, Look, Saturday Evening Post*—magazines that have all suffered a demise in the past few years. If they could not find support in the United States, which has such a large population base, obviously they would not survive in a much smaller market area like Canada. I think the magazine industry has turned the corner from its days of depression of as recently as a year or two ago, and that there is now reason to hope that regional publications, publications directed toward a particular interest group, will receive a new burst of life through a new method of encouragement. In saying that, I want to speak specifically about the distribution system. I mentioned earlier that it is really criminal that 97 per cent of magazine sales at newsstands are of foreign magazines, essentially American, with only 3 per cent being Canadian magazines.

This situation did not happen accidentally. It did not just happen that only 3 per cent of the publications produced in this country are sufficiently worth while to be purchased by Canadian readers. It happened quite deliberately because of the very real control that exists in the wholesaling and distribution of Canadian magazine publications. It is a known fact that 13 out of the 14 national magazine distribution firms are U.S. owned. When you realize, Mr. Speaker, that not only are we on the border, so to speak, of this tremendous outpouring of magazine material, but that we are a ready source of revenue for surplus editions of each and every one of those publications, you will realize that we are particularly vulnerable to the sort of thing that has been going on for many years.

What makes this vulnerability close to total takeover is the fact that the very agencies of distribution that ensure which magazines appear on which newsstands, and with what kind of prominence and return to the individual retailer, in 13 out of 14 cases are controlled by U.S. owners. Thus, it is easy to realize that we have been almost totally had in regard to the distribution of Canadian magazine publications in this country.

The minister has had a number of representations from different sources to take some action in this field. He has been urged by the Book and Periodical Development Council to adopt some kind of strategy to deal with this problem. More recently he has been attacked by them for failing to take any definite action. I hope that when the minister appears before the parliamentary committee to deal with the substance of this measure before us and to add further information, he will also give us his own plans for dealing with the whole question of the distribution of Canadian publications. It is not good enough for the minister to say it is basically a provincial jurisdiction, that it is the provinces, one by one, that will have to sort out the situation. It is a situation which the minister knows only too well can be used in a number of cases to divest ourselves of our own responsibility respecting the general impact of federal government policy in the cultural area.

I do not feel happy in saying this to the minister, but unfortunately there has been a tremendous failure to develop a feature film industry in this country. We have spent many millions of dollars assisting, encouraging and ensuring that Canadian feature films are made; this has been done since 1967 under the aegis of the Canadian Film Development Corporation. But we have not yet found an effective means of ensuring that Canadians have access to these pieces of cultural material which are being produced.

Many years after the original establishment of the corporation the minister has managed to get some kind of agreement on a quota system for three major film chains, but unfortunately they did not fulfil the verbal part of the agreement. More recently, the minister entered into a second agreement, one that he assures us will be effective. But in my opinion this kind of registering of good faith and good will is a pretty weak gesture in terms of solving what is a fundamental issue.

Mr. Faulkner: What is the alternative?

Mr. MacDonald (Egmont): The minister asks me what the alternative is and I am glad he has asked that. It is really quite simple. I see he is amused at what I perceive to be a naive response to a difficult question. It seems to me it would not be beyond the creative ability or competence of the federal government to ensure that there is some stake on the part of each and every province in the country in effecting a workable distribution system that does not rely on the good will of any particular corporation, be it multinational, national or whatever.

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

Mr. MacDonald (Egmont): Surely.

Mr. Deputy Speaker: Is the Secretary of State (Mr. Faulkner) rising for the purpose of asking a question?

Mr. Faulkner: Yes, Mr. Speaker. I very much appreciate the total support of the hon. member's remarks on the magazine side. I do not want to interrupt him, but he raised the question of the voluntary quota arrangement. I think he appreciates that last fall and on into this summer we visited every provincial capital and discussed a legislative quota. Our very best guess, based on those visits, was that no province other than the province of Quebec was prepared to accept a legislative quota. In view of that, what further steps would the hon. member propose that I take, as Secretary of State, given the fact that the provinces have jurisdiction over theatres? It seems to me that what I did after that, namely, get a voluntary arrangement with a commitment from the chains to produce and offer their co-operation, was about as good as I could get under the circumstances.

Mr. MacDonald (Egmont): I thank the minister for his question. I think part of the basic problem is that the minister was canvassing the provinces with the wrong proposition. Perhaps we might get together on this at some point, but it seems to me from the experience of other countries, though not in every case federal countries where there is this divided jurisdiction, there is built in a definite economic incentive with respect to the exhibition of domestic production, and this makes sense to me. I mentioned the Eady fund in Great Britain which, to my mind, has functioned very effectively in maintaining a certain level of exhibition and distribution in that country. I hope

we will move to the point of being able to propose to the provinces some arrangements. I think that suggesting to the provinces, whether Quebec or any other, that they share in the establishment of a quota system is in a sense taking the same kind of political decisions that the federal government is taking. I believe in a variety of incentives, and to me this provides no real incentive for there to be exhibition.

● (1700)

Let us say that the quota system were to be honoured by various companies as being efficient or important to them. If I were sitting in the boardroom of any one of those corporations, my very first question would have to be, "What is in it for us?" These are business people we are talking with, not the heads of churches or some kind of good will or charitable organizations. Unless there is to be some definite return or economic incentive I think they will always find ways to avoid exercising any real responsibility in this regard. That is the way I have felt for a long time.

Not only is this not likely to be honoured; that is only part of the problem. There is nothing sufficient to generate active interest, if you like. I think we want more than just the impassive or almost unhappy acceptance of the quota principle the minister has enunciated and tried to have adopted by the provinces. I would hope he or his officials would try to work out something similar to the Ead's model if that is not totally transferrable to our system. Surely some modification of that principle would be of value.

This brings me back to what I was saying a moment ago. It seems to me that if we are to be concerned about the magazine industry in this country, it will not be enough just to be concerned about it in terms of ensuring that the advertising inequities that presently exist are removed. I have already expressed some of the difficulties that may exist in the actual transfer of that 50 per cent to be spread among Canadian publishers. We have to be concerned about the level at which the consumer or the reader will be able to make these publications available to himself. If the distribution chain is very heavily controlled by outside sources, then it is obvious we have not really solved the problem.

I suggest there are a variety of ways in which the minister could deal with this distribution system. There are some immediate ones he can look at. One would be an investigation under the Combines Investigation Act to determine whether there is some measure of monopolistic practice that is preventing adequate access to Canadian publications. The second thing might be to throw open some of the government's own retailing operations, such as Info-Can, across the country. The first step that might be worth taking is to explore the possibility of making Canadian publications available through the storefront offices of Info-Can which exist in so many towns and cities in this country. At least this might be a transitional role to make sure there is access to various publications across the country.

I see that my time is rapidly expiring. I am prepared to support the measure that is before us, and I shall do so. The one major difficulty that has been raised during the debate is in relation to the 80 per cent content rule. It has received a great deal of flak in recent days. It is important that this be viewed in the kind of context in which there will be a certain amount of flexibility. As I understand this principle, and it has been applied in other similar situations, it will not result in a sort of issue by issue situation but will involve an over-all look at publications within a 12-month period.

I hope that at the committee stage we will not be so totally wedded to the proposal made recently by the Minister of National Revenue (Mr. Cullen) that we cannot look at some alternatives, perhaps similar to the one exercised by the CRTC of increasing the degree of Canadian content on a growth percentage basis with a view to reaching a certain goal in a fairly short period of time. I do not think we want to put ourselves in the position of doing what is right but not appearing to do what is right. I know committee members will want to spend a good deal of time looking at that particular issue.

In conclusion, I want to say that like so many other matters which have involved initiative by this government, whether in the area of energy conservation or regional development, the government has enunciated some good objectives but its implementation has been very deficient. The minister said back in 1973 that we had only scratched the surface of the problems facing the Canadian publishing industry. I want to remind the minister that he should not just use a back-scratcher when obviously we are going to require a spinal transplant, particularly for this Canadian industry which in recent years has become increasingly under fire and in need of an over-all study and strategy in order to be viable and available to all Canadians.

Mr. Joe Flynn (Kitchener): Mr. Speaker, I in no way want to become involved in a quota system debate. While it obviously plays an important part in the magazine industry, it does not really come into this particular argument regarding the amendments to the Income Tax Act in Bill C-58. Let me start by saying that perhaps the hon. member for Egmont (Mr. MacDonald) and myself should have been involved in dialogue for a few minutes earlier, because I think we could have exchanged places and capably carried out our admonitions directed to members of the government or even to the opposition. I will develop that theme as I go along.

I address my early remarks to the hon. member for Provencher (Mr. Epp). I would like to tell him that we in the backbenches are not afraid to speak up and talk about the question directly. He has given me the opportunity to ask myself some very particular questions and I think that is the way it should be. That is what the debate we are having today is, in effect—an examination of the whole question. I, for one, as a member on the government side, would like to ask some of these questions out loud. Perhaps I should direct the really big question to the entire backbench. I am really asking this government to reawaken in me the feeling of doing the right thing, and removing the confusion that exists in my mind because of the feeling that Bill C-58 has put us in a bigger quandary than we have ever been in by creating the insurmountable task of answering those questions that have come before us. This question involves the matter of Canadian ownership and

censorship, and I am firmly convinced that we must first remind ourselves that in order to be a Canadian citizen one has to apply, one has to live here and fulfil certain requirements and contain himself within confinements respecting patriotism and loyalty to the country and the government.

This regimentation has been followed completely by *Reader's Digest*. Let me say quite emphatically that I am, and always have been, a supporter of *Reader's Digest*. The Flynn family has subscribed to this magazine for many years. I have always been particularly proud of the fact that I have been personally acquainted with, to my knowledge, the only graduate of *Reader's Digest*. I am speaking about a Brother "Robbie" who has done such a tremendous job as the "hoodlum" brother in the Thunder Bay area. He has made a great contribution to the community in which he has worked, especially our native peoples. He is one of many Canadians who have been almost completely educated by *Reader's Digest*, and I suppose there are many more who use the magazine as a further supplement to their education. They are probably asking themselves, as many are, if they are going to get the same *Reader's Digest*, or is *Reader's Digest* being forced out of business or so completely changed in its format that they will no longer recognize it.

● (1710)

It is particularly distressing that we must look at this question from such a complicated viewpoint, because Bill C-58 comes under the guise of an income tax problem which completely compounds the confusion that exists around the total situation and the real question. There is a crisis and dilemma involved here that has caused perplexing feelings among the people in the whole community. I am sure all of us who have received enormous amounts of mail from our constituents over the past year concerning *Reader's Digest*, and have taken the time to answer in some detail the original question in good faith, did so in complete acceptance of the fact that in 1974, 24 per cent of the material used in the Canadian edition of *Reader's Digest* originated in Canada. We also accept the fact that by 1976 the amount of Canadian material will be 30 per cent, which will mean that the number of major Canadian articles carried by *Reader's Digest* will approach the number carried by all other leading Canadian magazines.

I agree completely that there may be a pressure group at work which has a vested interest in the publishing industry. Perhaps it is using this opportunity to eliminate competition. Unfortunately, it may have convinced some of the people who are probably very closely allied with the writing and drafting of this bill to create an impossible situation for *Reader's Digest*. I agree that without competition certain magazine publishers would continue to sustain their mediocrity if not deteriorate further.

One thing that further confuses me is that *Reader's Digest* is supposed to be taking all the cream off the top so far as advertising money is concerned. Yet as I understand it, *Reader's Digest* in 1973 took only 21 per cent of the gross advertising revenue going to other members of the Magazine Association of Canada. Those who took an equal amount and distributed it among themselves were *Chatelaine*, *Miss Chatelaine*, *Maclean's*, *Le Magazine Macleans*, *TV Hebdo*, *Time Canada*, *Sélection du Reader's Digest*, the French counterpart, *Observer Country Guide*, *Legion*, and

Saturday Night, which recently suspended publication. Of course, these magazines in no way represent all magazines published in Canada.

I have no actual figures, but a guesstimate would put the *Reader's Digest* share of advertising placed in Canadian magazines somewhere about 6 per cent. That leaves out of the picture the advertising revenue placed in Canadian business publications, the whopping sum of $24,700,000. Take that figure and compare it to the figure for the newspaper industry, $427 million, in Canada. In West Germany it is $707 million, which really just tells us that in West Germany consumer magazines get about as much advertising as the newspapers and three times as much as television.

In Canada, consumer magazines earn a miserable one-fourteenth of the advertising loot. Someone has asked, "Why is this government presently spending, or having to spend thousands of taxpayers' dollars in persuading them to get off their fat backsides, out of their armchairs and into the playing fields of the nation?" Really, are all of us asleep while seemingly watching the government ruthlessly determining the efforts that we are now trying to make? I think that sometimes we are asleep. In this particular case I think we are asleep watching Bill C-58 go through to the detriment of many Canadians.

My friend, the hon. member for Cochrane (Mr. Stewart), to whom I have spoken about this bill has recommended some changes. He will present them later and I shall concur in them. I think they are worth noting. They would form the substance of an amendment which would read as follows:

Subsection 19(2) of the Income Tax Act be repealed (as proposed) and the following substituted therefor:

19. (2) An issue or edition of an issue of any newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if it

(a) is edited and published in Canada and its publication functions—typesetting, platemaking, printing, circulation, advertising, customer service, treasury and administration—are conducted in Canada;

(b) is published by a Canadian corporation, proprietor, partnership or association incorporated or registered under the laws of Canada or one of its provinces;

(c) is either

(i) 75% Canadian-owned, or,

(ii) having a degree of Canadian ownership as defined in Section 257 of the Income Tax Act, publishes in Canada's two official languages;

(d) is policy-controlled by a board of directors, at least three-quarters of whom are Canadian citizens;

(e) is directed and wholly edited in Canada by a management and staff normally resident in Canada;

(f) grants complete freedom of editing to its editors in Canada subject only to copyright law;

(g) contains a proportion, excluding advertising matter, of editorial content to the extent of 30% or more which has not been previously published in a periodical outside Canada:

(h) encourages the development of editorial material about Canada which could have an international appeal outside Canadian borders.

Mr. Speaker, while I have not made the profound contribution to this debate that has been made by many other members, I hope that in some way I have at least provided some thought-provoking material for members on the gov-

ernment side of the House so that they might think about what they really are trying to do. I ask the members on the government side of the House to request the minister respond to some of these suggestions.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for Kitchener (Mr. Flynn). I agree with most of his remarks. There is perhaps one exception. When I look at page 9035 of *Hansard* for November 13, 1975, I find that when the government ram-rodded its closure motion through the House to deal with this matter with very little debate, indeed his name is found among those voting yea.

Some hon. Members: Shame.

● (1720)

Mr. McKinnon: It is always interesting to watch a new member come to this House filled with a sense of independence as a government backbencher. However, gradually he gets filed down until he votes nay or yea on orders from the front bench.

I received a great deal of correspondence, as has everyone else, on this contentious bill and I, like the hon. member for Kitchener, discounted a certain amount of it as having originated from the tear-sheet which was put out by *Reader's Digest*. But I was amazed at the number of people from my constituency who wrote separate letters to me. They did not send in the tear-sheet with "I am against it" written on the dotted lines. I have here several hundred letters and they are not second hand from *Reader's Digest*; they represent and effort by my constituents to tell me why they want *Reader's Digest* and, to a lesser extent, *Time*, maintained in Canada. I will give you an example of this type of letter, and in particular I will call your attention to one aspect in them. I have here one letter which reads as follows:

Reader's Digest is only one of its kind, always informative, always human, always in good taste—a most delightful magazine. I have not seen any magazine which can compare. If this is discontinued in Canada, we have only vulgarity left. I subscribed to several magazines this year which I felt would be interesting for my family. I have been shocked. Now when they arrive, I toss them in the garbage. I am no prude but there is a limit.

This theme runs through my correspondence. I began to notice it after the first few letters and have since looked at several magazines, Canadian and others. While the minister responsible for this travesty of a bill, this travesty of a democratic process, might not feel offended by the language which one sees used in too many magazines these days, many of my constituents are offended. They are offended by the kind of language in *Maclean's* and in a flood of other magazines from the pulp industry which can get into one's home, if one is not carefuly, via the newsstands. I do not think I am particularly prudish but sometimes it is beyond my comprehension why certain writers who have gained popularity find it impossible to express their opinions without the benefit of four letter words.

I have received several hundred letters, but from among them I should like to quote one delightful one which found its way to my desk on May 13, 1975. I presume it arrived on the desks of other members of parliament because it was addressed to all members of parliament and senators. It came from the hon. member for Vancouver-Kingsway (Mrs. Holt), and it read:

Dear Colleague,

Attached is my response to literally hundreds of letters from across Canada, primarily the west, opposing Hugh Faulkner's plan to rescind section 19(2) threatening the future of *Reader's Digest* and *Time*. This action, I feel, will also abrogate the right of advertisers, in our free enterprise system, to select the media through which to advertise. Only three of the letters favoured the Faulkner action.

I wish to quote from this letter at some length because, although I do not generally quote lengthy passages from letters, the hon. member for Vancouver-Kingsway set out the advantages and disadvantages of the scheme quite fairly, and I would like to put it on the record. It is somewhat of a surprise to me, as it was to the hon. member for Kitchener. In this letter the hon. member said:

—I will continue my fight against the proposed action when it comes before the House of Commons—

Let me say again at this point that I was reading *Hansard* for last Thursday and I found that the hon. member was not present in the House when the vote was being taken, and she is not present here today. I know she was here earlier, but she was not in the House when the vote was taken. She went on to say:

—and if it comes before the Broadcasting, Films and Assistance to the Arts Committee.

In the second paragraph of her letter the hon. member wrote:

At the very time when free societies are being swallowed up in the communist thrust to achieve its proclaimed aim—world domination—this action is symbolic of a concerted effort to alienate an old and strong ally and Canada's closest friend, the United States. One wonders if we are not being used by the small but vocal Toronto-based anti-American clique.

That paragraph goes a little beyond what I would be prepared to say. It may be that a backbencher on the other side might think the government is inspired by communists, but I have never agreed with this thesis which was expressed by the hon. member when she said that free societies are being swallowed up in the communist thrust, and that this bill is symbolic of the concerted effort in that direction.

She went on to say:

Those who compare *Reader's Digest* with *Playboy, Newsweek*, the *US News and World Report* or other all-American publications are forgetting these publications did not offer or even try to provide ANY Canadian news or to set up offices in Canada or give jobs to Canadians.

I might say that from here on I agree with what the hon. member has said. She attached a letter which she used as a form letter to reply to her numerous constituents who wrote to her. It is undated. There is a blank space for the date and address to go in. This is what she wrote:

Thank you for writing to advise of your reaction to the announcement by the Honourable J. Hugh Faulkner, Secretary of State, that he intends to rescind section 19(2) of the Income Tax Act and its affect on *Reader's Digest*.

I expect they had proof readers at the newspaper where the hon. member used to work.

She went on:

I had been openly opposed to this step. It is discriminatory and unjust—a threat to the life of a first class landed (corporate) immigrant for more than 30 years. Not only has *Reader's Digest* provided jobs and writing opportunities to many Canadians within a small industry—

magazine publishing—but more than any other magazine published in Canada, has provided features and news (mature and well researched) each month from all parts of Canada, linking this country.

I have already quoted the next lines which say that the hon. member will continue her fight against the proposed action when it comes before the House of Commons. This reminds me of the day when the Leader of the Opposition (Mr. Stanfield) asked the Prime Minister (Mr. Trudeau) when he was going to start wrestling inflation to the ground, and said that if this was a wrestling match, we had already been cheated on our tickets when we came through the door although we got them for nothing. I am looking forward to seeing this fight continue.

The hon. member went on:

Your letter is one of many others that I will forward to the Prime Minister with my own statement of concern. He and other cabinet ministers are well aware of my position and it is with gratitude that I receive your letter to help prevent the demise of *Reader's Digest* in Canada.

There has been an attempt by certain people—in some cases misinformed and in other, deliberate distortion—to convince the public that *Reader's Digest* is subsidized by the government. This is not so. It is simply a case of allowing free choice of advertisers in Canada by which to sell a product.

Obviously if they are penalized because they want to advertise in the magazine of their choice, they will not necessarily turn to a new media; many could send it out of the country to *Digest*, USA, or to newspapers, television, *Maclean's* and *Chatelaine* already over-weight with advertising, as opposed to news and feature content.

I also feel, as citizens, we all have the right to choose the magazine we want to buy. I appreciate the fact that *Reader's Digest* provides Canadians, not only with a good balance of national material, but with universal and international subjects.

I also prefer *Time* over *Newsweek*, *US News* and *World Report*, etc. for the same reason; *Time* provides good, concise, objective record of international news along with well written, depth, packed reports of Canadian interest.

This letter went on explaining in quite some detail all the disadvantages of this bill.

● (1730)

I would ask hon. members to note particularly this paragraph where the hon. member for Vancouver-Kingsway continued:

Personally, as a writer, I fear the action to eliminate a market for writers and allied industries, especially beginners in this field. If *Reader's Digest* closes out in Canada, this could eliminate jobs in Vancouver and Montreal, lose $5.2 million in salaries for 450 Canadian employees (including $700,000 in fringe benefits and $600,000 in profit sharing); $22 million in trade with Canadian suppliers; $1.6 million in taxes; $3 million in first class postage (not counting the magazine distribution itself). The company has $8 million invested in office, printing presses, and other capital equipment in Canada.

There is always a ray of light in the Liberal party, it seems to me. For a space of time when members first come here they act as if they have minds of their own, and have not yet learned to check their independence of thought at the door. This is a first class example of the thinking of the hon. member as recently as last April.

I am not sure that I agree with the next paragraph although I have agreed with most of the points she made, particularly in the previous paragraph. She went on to say:

Unfortunately, a small pressure group under the guise of a "Committee for an Independent Canada", with vested interest in the publishing, are using this to eliminate competition. Without such competition—and quality this publication presents—certain magazine publishers will

[Mr. McKinnon.]

continue to sustain their mediocrity, if not deteriorate further. The Committee for an Independent Canada began with what seemed—on the surface—to have excellent objectives.

These are her words, not mine. She continued:

However, now they are distorted—more anti-American than nationalistic. In either case, I think cultural nationalism in our present Global Village, is foolish, and immature in the last quarters of the 20th century.

I have, and will continue, to oppose any attempt to end the life and public responsibility of *Reader's Digest* in Canada.

That is a death shaking oath is it not? Unfortunately it apparently did not extend to November 13. The letter ends:

Thank you for your letter and the support for the continued life of a very vital segment of what I believe is important to Canadian national maturity.

Sincerely yours,

Simma Holt, M.P.
Vancouver-Kingsway.

I am pleased to register her true opinions in *Hansard* for her constituents and her party to know. I am sure she will be here tonight in spirit, if not in body.

The bill before us deals with three segments of the media—magazines, newspapers and television. We have heard a great deal about magazines, and rightly so, but it is likely to have an effect on newspapers as well. One wonders how some newspapers are going to have an 80 per cent Canadian content. With all the world-shaking events that occur I would suspect Canadians would want more than 20 per cent of their news to come from outside our borders.

One thinks of the Vietnam war and the Watergate crisis which happened concurrently. One wonders if any Canadian publication should be limited to 20 per cent of non-Canadian news at a time like that. I think we could run into a great deal of difficulty when we try to monitor or censor our newspapers and publications to comply with this arbitrary 80 per cent rule. It seems to have come about rather suddenly, and to be much higher than anyone had anticipated. People thought we would have a 51 per cent rule, or a 60 per cent rule. The weeks and months dragged by until it was too late for the main publishers to do anything about it. They were suddenly faced with the statement that it was 80 per cent, which made it almost impossible for them to comply.

Incidentally they have gone to considerable lengths to divest themselves of their foreign holdings of stock. Both companies have sincerely tried to get Canadian ownership of their companies up to the required level. For these types of magazines then to be faced with what, for them, is an insurmountable problem of 80 per cent ownership, is rather unfair.

When we speak of this cutting into their publications to tell them exactly what they can publish, I should like to remind hon. members that the Davey commission on the mass media warned of the administrative horrors of legislation that attempted to set Canadian editorial content requirements for the printed media. It is a rare thing for me to agree with Senator Keith Davey about anything, but I believe he knew something about publishing at one time in his life so he probably was correct when he said that would be an administrative horror and he would rather not have anything to do with it.

Various polls and surveys have been taken and I should like to quote one. According to a survey conducted by Canadian Facts, Inc., in January, 1975, of Canadian advertising executives, the Canadian publishing industry will not benefit substantially from the removal of tax advantages for advertising in *Time* and *Reader's Digest*. Only 19 per cent of the revenues freed by this measure will go to the publishing industry. Of this 19 per cent, 58 per cent will go to Maclean-Hunter publications.

Maclean-Hunter will effectively control at least half of the advertising revenue obtained by the magazine industry. It currently controls 42 per cent of the total. I think it is a very dangerous thing to have one magazine in Canada controlling far more than half the advertising revenue. We have seen the effect in other fields where we have monopoly enterprises. They would be able to control the price of the advertising that goes into that type of journal practically without opposition. I worry about the long range consequences. There would be no need for them to put out a decent magazine and to hold down the price of advertising. They would have a monopoly, and I think all of us would as soon avoid that.

Many of my constituents have written to me and every letter is exactly the same—I do not mean that literally but they stress the same points—they want to have their reading material cleaned up. They say such things as, "If the CBC is any comparison, if such a book did appear on the market shelves I would give it a try and if it matched the CBC standards, which I think are sick, I would never buy another one."

Another one asked me to use my influence to have them appeal this bill saying:

> I am in protest of this movement and ask that the Honourable J. Hugh Faulkner rescind the above-mentioned section.
>
> I am Canadian born and want this magazine as it is. I enjoy it—all of it! How narrow can Canadians become?

Mr. Woolliams: That is why he had to grow a beard—to cover up.

Mr. McKinnon: Another writer says:

> In my opinion, the *Reader's Digest* gives us very clean, intelligent, informative reading, with thoughts to ponder indeed. It is wonderfully honest and fair to all countries in the world, and is my main source of wide perspective.

Everybody in this world does not like the same thing, but the elitists on the other side of the House have a habit of thinking that what they like must be good for everyone. This is my first experience in three years in this House of being faced with closure. I do not look forward to them having chosen this—

Mr. Guay (St. Boniface): They do it in Britain all the time.

Mr. McKinnon: Does the hon. member for "St. Bonimouth" wish to take part in the debate?

Mr. Woolliams: "Bonimouth" is right!

Mr. Guay (St. Boniface): I will.

Mr. McKinnon: I thank the hon. member for his interjection. As so often happens, it was made sitting down instead of standing up. We seldom hear him speak standing up.

Mr. Guay (St. Boniface): At least you can hear me.

Mr. McKinnon: I did not get the gist of what the hon. member had to say.

An hon. Member: You did not miss anything.

Mr. McKinnon: I thought he had reformed when they made him whip. The extra money he gets for that job seemed to have a salutary effect on him, and I thought it was money well spent if it kept him quiet, but I guess we cannot be lucky in every respect.

● (1740)

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Victoria (Mr. McKinnon) delighted me with his courage because in speaking for my friend, the hon. member for Vancouver-Kingsway (Mrs. Holt), he proved himself a very brave man indeed. Without question she can speak for herself, and there is not the slightest doubt in my mind that she will when she returns from the battle of British Columbia.

An hon. member opposite said recently during the debate that this is a bill affecting fundamental civil liberties in this country. It seems to me that the hon. member was somewhat heated over a simple amendment to the Income Tax Act.

This debate began with hon. members opposite making valid points, with many of which I agreed. But as the days wore on, something happened to my opponents opposite. The clouds began to gather; they became bigger, darker and heavier, and suddenly we began to hear obfuscation and then suggestions of a cover-up. We heard another big word, censorship. When that was uttered it created the biggest cloud of all. Indeed, we even heard of the burning of books! But I will not continue in this vein because I would be making complex something which is very simple.

Bill C-58 seeks simply to remove the special tax advantages currently enjoyed by *Time* and *Reader's Digest* magazines and certain foreign broadcasters, and that is all. This is an important issue, and I am pleased to have the opportunity to speak on the government's reasons for its proposed action.

In this country we happen to have a law called the Income Tax Act, section 19(2), of which permits the deduction, as a business expense, of advertising placed by Canadian companies in *Time*, *Reader's Digest*, and certain foreign television stations. The federal government proposes to remove this privilege so that advertising placed by Canadian companies in all non-Canadian magazines will no longer be tax deductible.

This is not a new policy. In 1965 the federal government passed similar legislation but decided to exempt *Time* and *Reader's Digest*—I believe in tribute to the good corporate citizenship of *Reader's Digest* on the one hand and, no doubt, to the outstanding corporate muscle of the giant *Time*. In a sense the 1965 legislation discriminated in favour of these two magazines, exempting them from the

regulations which affected every other non-Canadian magazine.

What happened to the magazines affected by that 1965 legislation? Did they evaporate? Did they disappear, as hon. members opposite would have us believe that *Time* and *Reader's Digest* will disappear? No. They are all still available in Canada, either on the newsstands or by subscription, in exactly the same way as *Time* and *Reader's Digest* will continue to be. They will be as available and widely read in Canada once the proposed legislation comes into effect as the honest competition of Canadian publications given an infusion of advertising dollars will allow.

The government's action will not put *Reader's Digest* and *Time* out of business. It will simply remove from them their artificial status as Canadian magazines and the financial advantages accruing to them from that status. Discontinuing their Canadian content is not the same as removing these magazines from circulation in Canada. Both magazines will still be freely available and, as I said, Canadians will still be able to subscribe to *Reader's Digest* or to *Time*.

May I now read one of the many letters I have received in favour of this legislation, to answer the parade of Tory speakers who implied that only negative views were brought to our attention. The writer of the letter says:

> I most certainly am not in favour of *Reader's Digest* and *Time* magazine receiving preferential treatment. I sincerely hope that Hugh Faulkner does not 'give in' to the request of these two publications.
>
> Before I left for central America, I subscribed to *Time* magazine, hoping to receive news of Canada. When *Time* arrived, it was the U.S. version with the Canadian section omitted. I wrote *Time* complaining but received no answer.
>
> I also hope the women are able to get some just laws enacted.
>
> Good luck.

Mr. Paproski: Who?

Mrs. Campagnolo: She was referring to women members of this House.

Mr. Paproski: Read another letter.

Mrs. Campagnolo: The federal government has, in introducing this legislation, weighed the economic and cultural value of the Canadian content of these magazines against their economic and cultural drawbacks. It has been decided that, in economic terms, the money the magazines and television stations on the border spend in Canada does not outweigh the revenue gained for them by their special status and, in cutural terms, that the contributions they have made do not outweigh the stifling effect their dominant position has on Canadian magazines. Development of new broadcasting outlets in this country is similarly stifled.

Having made this assessment the government has decided to remove the special legislation which discriminated in favour of the two magazines. This is a decision which, as I said earlier, has been deliberately clouded by hon. members opposite with the absolutely outrageous distortion created by their false and misleading introduction of the idea of censorship.

Some hon. gentlemen opposite were trying to describe this debate with one word. I must say some of them were very witty. Let me try to coin a capsule description, as a new and inexperienced member who has not yet learned to keep her mouth shut. Let me say that irresponsibility is the word which comes to mind to describe, in capsule form, the remarks of hon. members opposite.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: "Irresponsibility" is the only word applicable for such careless manipulation of the public mind. No one is judging the merits of these publications, as to wholesomeness or lack of it; no one is talking about offensive broadcasting. There is no question of censorship in all this.

Hon. members may recall that several years ago the government imposed regulations, similar in intent, on recorded music in Canada. I was a member of the organization of broadcasters who were involved at that time; I was involved with the broadcasting industry and I assure you we struggled as mightily, as ferociously as do *Time* and *Reader's Digest* today, because we were sure we should be totally annihilated by the government's "iniquitous" rule. Do you know what happened? There are actually people who profited by the government's decision. There are now Canadian producers in this country, and talented Canadians who are making their names in this country, and not across the border.

When the government imposed those regulations on the broadcasting industry of this country there was considerable concern. But that concern was met head on, just as the present concern will be met. However, in fairness to Canadian content legislation, I must say that it has not prevented our hearing American music or any other music. And we have gone a long way to creating a strong Canadian recording industry in both classical and popular music fields, and to developing Canadian talent. I am convinced that the same will happen in the next few years to our Canadian magazine industry, our writers, publishers and broadcasters, without causing distress to readers of *Time* and *Reader's Digest*, or viewers of border stations; and I am speaking of stations which were originally set up to serve some other commercial market than ours.

One member of the official opposition yesterday intoned stentorially on Wednesday that "if they can't hack it on merit alone, it's too bad." He spoke of merit alone. Mr. Speaker, if one company can project a profit of $8 million from Canada alone this year, merit alone is not involved. How does merit alone involve the Canadian station just starting, out and anaemic from lack of money, because it cannot attract the required advertising dollars, the border stations having attracted all the business?

For a moment let us look at the broadcasting industry. Large, slick, American border stations erected scant miles from the major southern metropolises of this country cynically and deliberately planned to do one thing—make a healthy profit. There is nothing wrong with a healthy profit. What is wrong is that our tax act has enhanced that profit.

In this case the words of hon. members must be examined in the context, say, of KVOS-TV, a station situated near Vancouver, B.C. It is, in all respects, a decent corporate citizen, and honourable entity, in addition to being an appreciated signal within our borders. Its audience ratings are fantastic. Its BBM'S read like magic-time. I like KVOS,

but I would like it much better if it were CFOS or CKOS, or if its communication letters were of any Canadian designation and subject to the regulations of the CRTC, not the FCC, however honourable that body and KVOS may be.

● (1750)

Why do I feel strongly about this matter of television access? Why am I concerned, for example, that KVOS projects such a large profit this year, even if they have proposed to share half that profit with the emerging new station in Vancouver, Western Approaches Broadcasting, should the KVOS proposal be accepted?

Let us talk about places in this country that cannot luxuriate in multi-channel television access. Unfortunately there are still many parts of this nation that have no access to radio, let alone television. There are some that have no access at all and others who have one channel. At best they may have two. They have created together a transmitter which they have put on a mountain top and which receives a signal sometimes five times transmitted. This has been done by ordinary people like we are, or should be. These people cannot gain access for one reason. Access is not available because there are not sufficient funds in the broadcasting industry of this nation.

How can hon. members expect a person such as myself, who represents thousands of people without access to television broadcasting, and similarly hundreds who have not even radio, to get disturbed about someone who has access to ten or 12 channels? I can get disturbed, however, about that amount of advertising dollars given to a foreign television station when the people who sent me here are seeking primary access to broadcasting, access which has been denied due to revenue creeping across the border. Those dollars, all of them, belong here in Canada, enhancing the opportunities of Canadian broadcasters presently in operation and, it is to be hoped, new and enterprising groups of broadcasters in the future who will add to the Canadian cultural dimension in every corner of our country.

I hope to live long enough even to see the day when our children's and our role patterns will reflect something that is more Canadian then Rhoda, Maude, Phyllis, and Mary Tyler Moore. In respect to the hon. minister who is in charge of the status of women in this country, who has just entered the chamber, I will bow to the other gender and trust that future legislators will ensure other role models than Kojak, Petrocelli, McCloud and all the rest of those violent men, who inhabit our TV, but that is another question.

This is a simple matter, my fellow members. Magazines and broadcasters presently obtain tax privileges without being subject to any of the criteria of Canadian magazines. Foreign broadcasters can obtain special tax privileges without the slightest nod to the CRTC. Here I refute what was said by a member opposite, that special privileges do not exist. Special privileges exist, as in no other country on this earth, for two magazines and some border broadcasters of a foreign nation. In my opinion, we owe it to Canadians to change that injustice to them.

Because this is a very complex issue I wish to make a couple of final remarks. I do not want to leave any doubt in the minds of members opposite. The contribution made by *Reader's Digest* is appreciated; however, Canada has finally grown up and must have its own advertising dollars to continue growing in publishing and broadcasting. The government has no intention of doing away with, or unfairly penalizing, *Time* and *Reader's Digest*, and as for border television stations I submit they made their hay while the sun shone. The government's intention, as I have stated, is simply to remove them from an artificial tax advantage which they have enjoyed since 1965—which is awarded by no other country in the world—and to provide encouragement to the Canadian magazine industry and Canadian broadcasters.

I wish to make a last, simple, unclouded statement. Canadian firms advertising in Canadian magazines are allowed, in calculating income tax, to deduct advertising costs up to 100 per cent. Under the present law they can do the same for the cost of their advertisements in *Time* and *Reader's Digest*, which are foreign magazines. The government proposes to eliminate the latter deduction. The government has recommended to the House a similar amendment to the effect that no deduction against income be permitted for advertising time on any non-Canadian broadcasting station for an advertisement directed primarily to a market in Canada. These are very simple solutions to the clouds of protest that we have experienced these last few days.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I am not sure whether my clouds will be thunder, rain, or snow. I agree with a lot of the comments of the hon. member for Skeena (Mrs. Campagnolo), but I must take exception to at least two. One is the distress over the part of the legislation having to do with "substantially different". The hon. member said that this bill only amends the amount of ownership that is required to become a Canadian magazine. The amendment is to the Income Tax Act. In the Income Tax Act it says "substantially different". The Minister of National Revenue (Mr. Cullen) said that the substantially different part would be 80 per cent. It is to that we are objecting.

The other part is censorship, a word used by the hon. member. It is necessary that I repeat what the hon. member for Lambton-Kent (Mr. Holmes) stated about the word censorship. He said, and I quote:

> Perhaps the most overworked and misunderstood word in this entire debate has been censorship. I have listened to the charges and countercharges over this particular word and this particular issue. The minister and the government in defending the bill have repeatedly stated that censorship is not being employed as part of government policy.
>
> The government is correct in saying that the regulations in the strictest terms are not censorship, and yet it is their attitude and their response to the charge of censorship that alarms me and, frankly, should alarm all Canadian people.

This should not be taken out of context. It must be kept in context. The people of Canada are of the opinion that this amendment will eliminate *Time* and *Reader's Digest* from the market. They are afraid of that.

Some hon. Members: Hear, hear!

Mr. Paproski: Next the minister will want to get rid of multiculturalism.

Some hon. Members: Oh, oh!

Mr. Schellenberger: I have sparked some interest. I am pleased. The people of Canada do not understand these special privileges. They believe that *Reader's Digest* and *Time* have some special privileges over and above Canadian publications. That is not the case. They have special privileges as foreign publications. This has been stated time and again in this debate. It cannot be mentioned often enough.

My objection is to the content rule that has been laid down by the Minister of National Revenue and brought into this debate. Citizenship is O.K., but personally I disagree with the content rule. I have received many hundreds of letters, as I am sure other hon. members have, particularly from people concerned about *Reader's Digest*.

I sent out a questionnaire. One question was: "Do you support the government's proposal to abolish the special tax provisions for businesses advertising in *Time* and *Reader's Digest*?" Thirty-nine per cent said yes, 35 per cent said no, and 21 per cent were not sure. To me this means that the majority of people in my riding—and I would say they are average Canadians—are not sure what this bill will do, particularly to *Reader's Digest* which they hold so dear.

● (1800)

Many members have read letters into the record. I should like to read one from an old-timer in my riding. He says:

> Many years ago a friend subscribed to the *Reader's Digest* for us. This was before there was a Canadian edition. The friend has long since passed on but we have continued to keep up our subscription over the years.
>
> I feel that if the Canadian government now discriminates against this publication they are showing a small-time attitude. Are we as Canadians trying to isolate ourselves from the rest of the world? Are we trying to crawl into a gopher hole? It is quite a contrast to the place we have been taking in the affairs of the world. Hope you will do what you can to put down this small-time act.

The writer is concerned that *Reader's Digest* will no longer be in his mailbox at the end of the month. He is concerned also about our attitude toward world affairs. If we follow the 80 per cent guideline with regard to content, shall we be truly reporting world affairs in an objective way?

I do not believe we can help the Canadian publishing industry by making it so difficult for our strongest publications to exist. They may have to leave. The government's proposals do not guarantee that Canadian publications will take over the area vacated, in particular by *Time* in the area of world affairs.

I express concern too over the future of such publications as medical magazines, and magazines on agricultural research, for example. It seems to me that the 80 per cent content rule is unduly harsh. Any restriction based on content is wrong, in my opinion. Should I, as a Canadian entrepreneur, wish to publish a magazine containing, let us say, certain articles on agriculture from the United States I should be allowed to do so because my future will depend on whether people want to buy it. There ought to be no restriction on the basis of content. It is dangerous. It is a form of muzzling the press, and it may lead to very narrow reporting.

[Mr. Paproski.]

Then again it seems ridiculous for Canadian writers to be sent to other parts of the world to report various events, particularly when other magazines already have reporters in those areas. Have Canadian magazines the money to do this. Surely, however, it is within their scope to send reporters to write special articles on events of particular interest to Canadians.

There are other questions yet to be answered. If a Canadian publication hires a non-Canadian, does it mean that the report he writes is a Canadian Report? If an event is reported by a foreigner and is subsequently edited in Canada, is that report considered to be Canadian? How is it possible objectively to determine what is Canadian and what is not when it comes to words written on a piece of paper? We must object to this requirement based on 80 per cent Canadian content.

The main concern of the people of Canada is that they will not get *Reader's Digest* in their mail boxes at the end of the month although it is a publication they enjoy, and have enjoyed for many years. We in the opposition must see to it that this publication continues and that the 80 per cent rule is debated at length and, hopefully, amended.

Before I conclude I wish to quote a few words by Mr. LaRue of Time Canada, because I happen to agree with them.

> News is what actually happens and you can't make it 80 per cent different by official decree. It must be admitted that the mere selection of news is manipulation of a sort, in which all publications indulge—and I can only plead that professional editorial decisions are more likely to serve the interest of the public's right to know than news selection by official decree.

I shall end by quoting two paragraphs of a newspaper article by Charles Lynch:

> As a reluctant member of the Association of Radio and Television Artists I can tell him (the minister) that the activities of this union, in its efforts to close our orders to foreign talent, are self-serving in the extreme, and may well be contrary to the public interest.
>
> As a member of the reading public I can take note of the fact that our bookstalls are increasingly filled with Canadian publications, and that many of them are raucous pamphlets disguised as literature, or just junk. It's a question of whether homebrew junk is better for us than the imported variety.

It should be our duty to help Canadian authors and Canadian magazines to put quality magazines on the newsstands, but I cannot agree we shall accomplish this by alterating the status of *Time* or *Reader's Digest* as is being proposed or, in particular, by bringing in an 80 per cent content rule.

Some hon. Members: Question.

Mr. Blais: May we call it 6.30 p.m., Mr. Speaker?

Some hon. Members: Question.

Mr. Deputy Speaker: There does not seem to be agreement with the suggestion made by the hon. parliamentary secretary, so unless other members wish to speak it is my duty at this time to put the question to the House. The question is on the motion in the name of Mr. Sharp.

All those in favour will please say, yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those against will please say nay.

Some hon. Members: Nay.

● (1810)

Mr. Deputy Speaker: In my opinion the yeas have it.

Pursuant to the order made earlier this day a division on this motion is deferred until 9.30 p.m.

Mr. Blais: May I now call it 6.30, Mr. Speaker?

Mr. Deputy Speaker: Hon. members have heard the suggestion of the parliamentary secretary. Shall I call it 6.30?

Some hon. Members: Agreed.

At 6.12 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

POST OFFICE

STRIKE OF POSTAL WORKERS

The Acting Speaker (Mrs. Morin): Leave having been granted to the hon. member for Vancouver Quadra (Mr. Clarke) to move the adjournment of the House pursuant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the continuing absence of postal service which is creating hardship for all Canadians.

Accordingly, the motion is as follows: The hon. member for Vancouver Quadra, seconded by the hon. member for Huron (Mr. McKinley), moves:

That this House do now adjourn.

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, first of all I should like to inform the House that the hon. member for Brandon-Souris (Mr. Dinsdale), the chairman of this party's caucus committee on the Post Office, is progressing well after undergoing open heart surgery last week. He will soon be out of the intensive care unit and I am sure that all hon. members would like to wish him well.

Some hon. Members: Hear, hear!

Mr. Clarke (Vancouver Quadra): I should also like to express my hope that the Postmaster General (Mr. Mackasey) is again in good health. I am sure he has been spending long hours in his attempts to get the mail moving again. In spite of the implication by the *Globe and Mail* that I was somehow responsible for bringing on the spasms that the minister suffered in the chamber last Friday, I can assure the minister that we on this side do not want to see his health suffer. The fact remains, however, that his attempts to restore postal service have failed, and the mail is still piled up all over the country.

Thinking of mail that is piling up, I am reminded of the countless bags of mail that have been carted to storage places in many parts of the parliament buildings. I am also reminded of the first paragraph of my twelfth news letter to constituents, which was dated October 30. It begins:

As I write this letter, I have no idea when it may be delivered to you because once again the labour problems in the Public Service of Canada have caused the movement of mail to grind to a halt.

Still quoting:

If these words have a familiar ring, it is because they are a direct quotation from my newsletter of February 21, 1975!

I have heard some incredible figures on the number of work stoppages there have been in the past months or years, and since I do not have exact figures before me perhaps I can ask hon. members to recall the last time that they remember a year free of labour problems in the Post Office.

Of course the problems are not restricted to the Post Office. Department of Labour statistics just received for July indicate that in that month there were 273 work stoppages in existence in Canada. The cumulative man days lost in 1975 to date were 4,700,000. Of those nearly 10 per cent, or 409,000 man days lost, were in the federal jurisdiction.

The official opposition has been sensitive to the problems of the postal situation. We have been keeping abreast of developments, and last October 20 when the strike began, and after the Postmaster General had become directly involved in the negotiations, the hon. member for Brandon-Souris asked for an indication of progress. Already the minister's feelings were showing through as he made reference in his reply to the "unrealistic attitude of the negotiating team". How sensitive a remark is that, I would ask?

The official opposition has also been sensitive to the problems of the customers of the Post Office. Nearly every day since the postal service ground to a halt four weeks ago we in the official opposition have been asking when the suffering users of the mails could expect action from their government. We were sensitive to the needs of those who receive their incomes and revenues by mail, to the needs of those whose jobs would be terminated because of disruptions in trade and commerce. We were sensitive to the needs of the elderly who rely on the mails for bill paying and needed outside communication, and to the needs of businessmen, large and small, who lost orders and now face the prospect of bankruptcy.

If you can ignore the impact on the Christmas season, with the lack of greetings and parcels in Canada, think of the loss of mail exchange with other countries, with its serious consequences of the present and its potentially permanent loss of trade. Think of the international embarrassment.

The other day the minister was suggesting that I was trying to make political hay out of an embarrassing situation. Well, Madam Speaker, I think it is an embarrassing situation. It should be more embarrassing for the government, but it is certainly embarrassing to me as a Canadian.

A friend of mine who lived in Paris a year or two ago found that even then the French were laughing at the Canadian postal situation. The feeling was that a country that cannot keep its Post Office operating cannot gain much respect. I wonder, if it is any wonder, that Canada was not invited to the economic summit conference at Rambouillet in France. Or perhaps the invitation was mailed.

I heard it said on the CBC news tonight that the opposition had been paying little attention to the postal situation for the past four weeks. Apparently we are now just coming to life. I should like to ask hon. members whether the record of 44 questions put by members of the official opposition during the past four weeks would support that.

● (2010)

An hon. Member: Don't believe everything you read or hear from the CBC.

Mr. Clarke (Vancouver Quadra): Only during four days since the postal strike began were there no questions in respect of the Post Office posed from this side of the House. At least three motions have been put by members of the opposition in the same period, the last one resulting in this emergency debate tonight.

It may be interesting to note at this stage that this is the third time this year a motion under Standing Order 26 for an emergency debate has been accepted by the Chair. The first one was in March, presented by the hon. member for Vancouver South (Mr. Fraser); the second was in April, presented by the hon. members for Bellechasse (Mr. Lambert) and Joliette (Mr. La Salle) simultaneously. Those motions both involved work stoppages. The first was at west coast ports and involved a stoppage which put an end to all grain deliveries to foreign countries. The other one involved a work stoppage at St. Lawrence River ports which put an end to the movement of feed grains.

Instances will be recalled in past years of parliament being recalled or called upon to end labour disputes, such as in respect of the railway strike in 1973. I deplore the use of parliament as a labour court and I do not advocate that tonight. What I hope is achieved by this debate is an awareness of how the government has failed to act in any effective way to restore postal services. Let us see how sensibly the government has reacted during the strike. As of now the government has walked away from the bargaining table, and the Postmaster General has stated that there is nothing more to negotiate.

No action has been taken to end the work stoppage, and the Prime Minister (Mr. Trudeau), although admitting that parliament must intervene at some time, has declined to make the decision that the public disservice caused by the strike outweighs the freedom of the right to strike itself. I should like to be able to canvass the country on that question. I think we would get some very interesting questions answered. But of course there is no way the ordinary Canadian can communicate with his government with this situation that exists at the moment.

Let me refer to several remarks made by the Prime Minister and other members on the government side. I would refer first of all to the Prime Minister's remarks in

[Mr. Clarke (Vancouver Quadra).]

Winnipeg on October 21. The postal strike had not even begun at that time when the Prime Minister was asked:

Would you say categorically that postal workers will get no more by striking than they would if they don't strike?

The Prime Minister replied:

Yes, that's right. Whether they strike or not, and whether we make an agreement with them that is a little higher or a little lower, it will be referred to the Anti-Inflation Board in any case and they will judge if the government is acting within the guidelines.

He went on toward the end of this paragraph by stating:

If they get a wage which is higher than the guidelines, it's going to be taken away from them by way of taxes anyhow.

A few days later in Toronto, on October 24, the Prime Minister was asked what alternatives there are for the settlement of the postal situation, and he said:

Well, we've made that quite clear. The Postmaster General . . . has made that clear on behalf of the government. We've made them an offer which we think is fair, which is more than the 12 per cent because the bargaining has been going on for ten months and because historically they were on a par with the other half of the union and we said: "We think that under the exceptions provided for in the guidelines, we can give you more than the 12 per cent, a little bit more. If we're wrong, the Anti-Inflation Board will knock us down but we think we can."

I refer to those two statements because I think this illustrates that, whatever action the government takes, the buck is going to be passed along to the Anti-Inflation Board.

Let me refer to some answers made in this House during the last few weeks. The theme has always been that the government does not want to take any action. Certainly there has been enough urging from this side of the House.

On October 27 the Acting Prime Minister (Mr. Sharp) was asked whether the government had decided on the length of time the postal strike would be allowed to go on, and the answer given by the Acting Prime Minister was no. He was then asked whether any settlement reached in the current negotiations would be subject to the approval of the Anti-Inflation Board, and the Acting Prime Minister replied:

—that will be the law as soon as this legislation has been approved by this parliament.

There is no conflict there. The next day the Acting Prime Minister said it was the government's view that postal workers should resume work when the settlement is reached. That was in response to a question asking whether the government might consider back-to-work legislation.

The government has been consistent in one position. The Prime Minister and the Postmaster General have often repeated that they have no intention of taking action to end this stoppage.

It is not usual for the opposition to provide solutions to the government's problems, but very often people ask us what we would do. Of course what we would do is not really relevant because we are not the government, and it is the government that must solve its own problems.

An hon. Member: It is very easy to understand why you are over there and you will stay there.

Mr. Stanfield: Just quieten down.

Some hon. Members: Oh, oh!

Mr. Clarke (Vancouver Quadra): Let me present one or two ideas to gentlemen on the other side. It is only fair, when the government demonstrates its inability to come to grips with problems, that we should adopt a fair attitude and give some ideas.

Some hon. Members: Hear, hear!

Mr. Clarke (Vancouver Quadra): The best solution we could probably give, and this would follow from remarks that have been made, is that a secret ballot be held under the supervision of the Public Service Staff Relations Board. The Prime Minister indicated earlier this month that such an idea deserved some consideration and he would be willing to give it that consideration at some time, but we do not know when that will be.

A more practical solution, in my view, would be to pass back-to-work legislation. This would provide for the continuation of negotiations, and perhaps arbitration. I know a joint committee is expected to report on the right to strike in essential services before too many weeks have passed.

Back-to-work legislation has a number of advantages. First, it would restore services to post office customers. It would restore labourers' wages and take the heat off the postal workers and their families, especially now with the approaching Christmas season. It would allow negotiations to continue without either side having to worry about saving face. In fact I am unable to find any argument which would lead me to believe that back-to-work legislation would be intolerable.

Another suggestion is that the government could grant more money. The Postmaster General has refused to do this, and I understand his reasoning behind that refusal. However, I think it is well documented that whatever settlement is offered and accepted will go to the Anti-Inflation Board for approval. I think that has been amply assured by the remarks of the Prime Minister and the Postmaster General.

I have another suggestion which I think should be explored. We should not follow our old practices just by force of habit. The government should consider altering section 8 of the Post Office Act. This section gives the Postmaster General the sole and exclusive privilege of collecting, conveying, and delivering letters within Canada. This should be changed to allow others to share in the privilege of performing this service. This is not the first time the suggestion has been made.

On April 25, 1974—there was no postal strike at that time—I moved a motion under Standing Order 43 to seek the unanimous consent of the House concerning a postal disruption, of all things. The motion was:

● (2020)

That this House give immediate consideration to taking whatever action is necessary to repeal the grant of monopoly to the Canada Post Office in order to allow private enterprisers to offer competitive service, thereby giving the people of Canada the opportunity, in a genuinely free and competitive market, to buy postal services they need from the most efficient supplier thereof.

I remember that day because it was the only time in my three years in this House that I was able to raise the then leader of the New Democratic Party right off his seat to shout "No". Before anyone thinks this is something I am making up and that it is a silly idea, I should like to say I do have a little support.

I think there are other things such as telephone services and radio services that are provided not only by governments but also by private enterprise. *Barron's*, a financial weekly in the United States, recently made a contrast on the performance of the United States Post Office and the privately owned Bell telephone companies. They noted that the per worker volume in the United States postal service increased by 56 per cent over the same period in which the Bell telephone companies had increased their performance by 169 per cent. It is also pointed out that while first-class postal rates have gone up by 400 per cent, Bell's long-distance rates have been cut by up to 50 per cent. It is also pointed out that the Post Office in the United States drained off $23 billion from tax revenues during the same period that the Bell telephone companies had put $54 billion into public coffers through tax payments.

I think the moral is that Ottawa and Washington should give serious consideration to how to relieve the taxpayers of the terrible burden they are presently being called upon to carry. I do not expect the government will pay too much attention to the solutions I am putting forward with some feeling tonight; however, the purpose of my remarks and this debate is to see whether the government side will finally appreciate, through the efforts of the official opposition and the help we offer them, that the people of Canada want their postal service restored. They deserve to have it restored. It is time the government did something. It is the government which must make the decision.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, the member from my neighbouring riding says, "Quit picking on him". I do not need to say that. Considering the views of the majority of the Conervative and Liberal members, I think I would find myself in an abnormal position if they were not attacking me or, as he says, picking on me. I do not mind being in that position.

Before I come to the highly bizarre motion moved by the Progressive Conservative party this afternoon, I should like to say that the postal strike is an extremely serious and troublesome matter. It causes inconvenience for the vast majority of Canadians. No one would question that. It causes more than inconvenience for people who depend on pension cheques, people who depend on welfare cheques and people who depend on family allowance cheques. For all such people it is more than an inconvenience; it involves real hardship. There can be no question about that.

If the "experts" on labour matters to my right—the Conservatives—will be quiet, I will continue. In addition to these groups, small businessmen throughout the country have found themselves in an extremely precarious situation. There is no question about that. If I may say so, the postal workers know this also. I think it is very important for us to recognize that they are workingmen and women in this country who have the legal right to strike given to them by this parliament. A conservative member says, "By mistake". Presumably that represents the position of the Conservative party. The truth is that they have that right and, as is the case with other workers, they ought to have the right to exercise it, if it means anything.

At a certain point in any strike, whether it is in the public or private sector, the public harm being done might well outweigh, in terms of responsibility, the right to strike itself and we may find ourselves at some point in the difficult position of having to support or, in the case of the government, having to recommend back to work legislation. However, this is something which should not be done lightly if we respect the rights of the workers in this country as well as the rights of the public.

Having said that, I want to come to the immediate situation in terms of the trade union and the Post Office authority negotiations. There can be no doubt there is now a deadlock, that progress is not being made. Equally, there can be no doubt that it is desirable that progress be made both for the public good and for the workers' good. In so far as those of us in parliament can judge, it appears that any contribution we make should not be one of interfering in a negative way in the collective bargaining process. Hopefully, suggestions will be made which will lead to a mutually agreeable solution.

I regard as a serious mistake the motion moved by the Progressive Conservative party this afternoon, supported by the government, which said that the the postal workers involved would have to reconsider their answer or reject the proposal made by the government and rejected by their bargaining committee. I find that is not a good approach. I say this in all seriousness to the Postmaster General (Mr. Mackasey). I shall be interested to hear what he has to say in the debate.

In respect of the traditional action of the employer who does not bargain in good faith, there is always an attempt to undermine the democratically elected negotiating team which is responsible to its employees. Normally, this attempt comes from the employer and not openly from the politicians. They try to say that the membership will reject its leaders. I say that because this motion would have led to putting to the membership a proposal, on parliament's initiative, which would represent only the government's position. This would be unfair to the collective bargaining process and therefore would be inappropriate. Quite apart from that, I wish the mover of the motion had checked the law and the authority of the Public Service Staff Relations Board, because it has no jurisdiction to conduct the procedures required by the motion and, of course, the CLC did not give its approval to be included in this motion. So the motion was wrong procedurally and wrong in substance. In short, it was destructive of effecting a settlement, and that is why I did not hesitate to make it clear, regardless of short run public reaction, that I thought it was a mistake, and I do not back down from that at all.

● (2030)

I was in the process this afternoon of making a suggestion to which I hope the Postmaster General (Mr. Mackasey) will listen—if I could only get the attention of hon. members—

The Acting Speaker (Mrs. Morin): Order, please. At the present time the hon. member for Oshawa-Whitby (Mr. Broadbent) has the floor and he should be allowed to complete his speech.

[Mr. Broadbent.]

Mr. Broadbent: During the question period I made a suggestion to the Prime Minister (Mr. Trudeau) which, I was pleased to see, he did not categorically reject. He said that he did not think the steps I suggested, and upon which I will elaborate now, need be categorically rejected in terms of being useful at any time, but he said they would not be useful now. I should like to make the following proposal to the Postmaster General, with the additional emphasis that it be done now and that we do not wait any longer.

I would like to ask the Postmaster General to get in touch as soon as possible with the postal workers to agree mutually upon a single mediator who could be called in now. Clearly we need such a person because, both in terms of the issues at stake and in terms of a certain personality conflict, I think—

Some hon. Members: Oh, oh!

Mr. Broadbent: Just a minute. I think we need someone who could deal with the issues and bring the conflicting personalities together. Second, this mediator would have the task of bringing the two sides together to try immediately to get a mutually agreeable series of propositions. Third, after 72 hours, if there has not been an agreement reached by the two sides, the mediator would publish his set of recommendations. Fourth, these published recommendations, after the 72 hour period if no agreement is reached, would be considered by the government and by the trade union negotiators. If no agreement is reached by a mediator, these proposals would then be submitted to the membership of the union for their consideration together with their trade union negotiating team's recommendation as to whether the membership should or should not accept the mediator's proposal.

It seems to me that that would be a constructive move at this time because it would not force acceptance upon the trade union membership of a set of proposals that their democratically elected membership has rejected. For me it has a very important element of fairness in it in that it recognizes—and I want to say something very briefly about the details of the points that are still in dispute—the possibility during the next 72 hours of getting a mutually agreeable solution, and that of course would be the best one by far because there are quite a number of clauses that are not in agreement yet.

The minister knows that once you get rid of the trivial matters there are, relatively speaking, a handful of issues at stake and I submit that concerning the handful of major issues at stake the positions of both sides are not radically different, that the two sides are not far apart on the important questions. Therefore, I suggest that the mediator could play a constructive role in trying to bring these people together.

What are a few of the basic issues that seem to be worthy of consideration, and worthy of some move both on the part of the Post Office and on the part of the union? First of all, there is the union's concern for a reduction in the work week. What the union wants is not something that is new; it is something that is possessed by many workers, in Canada, and indeed it is possessed in principle by over 60 per cent of the federal public employees. What they want is to reduce the work week from 40 to 35 hours. The govern-

ment will not budge, but I repeat that over 60 per cent of public employees in Canada now have 37½ hours. That at least is a position somewhere between what the government is offering now to the postal workers and what the union itself wants. It is surely something in which a mediator could play a useful role.

Second, the trade union is concerned that the mail handlers' salaries be improved. I ask you, Madam Speaker, and I appeal to members of parliament to consider the point they are making here. There are approximately 2,500 mail handlers as compared to some 18,500 postal clerks. At present the mail handlers—that very small minority of the total—get some 36 cents an hour less than the postal clerks.

What the postal workers want is to remove that disparity between the two sets of workers involved in essentially the same activity, and it seems to me that that is a very reasonable request. They want for that very small group of 2,500 workers, to remove that 36 cent an hour differential which exists between them and the 18,500 postal clerks. I say that in terms of equity and fairness it seems a reasonable proposition, and that in terms of the cost to the Treasury it is infinitesimally small. So again I say that there is surely a role for a mediator to play. In terms of what the union wants it seems to me that a good case could be made for going all the way, but at least we could move some way in that direction.

Third, there is the COLA clause. The government, as hon. members may know—I am sure the Conservatives have looked at all the details with great care and consideration as they usually do in such matters—in terms of its COLA clause proposals will give 1 cent an hour for every 4 per cent increase in the consumer price index up to a total of 10 cents for three months.

The point I am making on the COLA clause is that the ceiling the government is putting on that clause should be removed, and I think it should be removed for other employees as well. Why have that cap on at all? As a general proposition it seems to me that it is good not to have a ceiling on it, but in particular in the context of the government's anti-inflation program, if it is going to be successfull, as it claims it will be in reducing the cost of living next year, it has absolutely nothing to fear in terms of the COLA clause proposal of the postal workers. So if its other government policy is successful, it will not lose a cent in removing the cap on the COLA clause. Again it seems to me that that is an item on which a mediator could contribute some advice to both sides.

There are two other issues, but I do not think I will go into details on them. I will simply assert that on the long service pay issue, and on the equal pay for part-time and full-time employees issues, the positions separating the union and the government are not wide apart.

If you look at all these major issues which separate the two parties—major in terms of their concern—you will find two things. First, they are few in number and, second, the distance between the Post Office on the one hand and the postal workers on the other is not great. It therefore seems to me, Madam Speaker, that the proposal I am making tonight for my party, namely, for the appointment of a mediator who would be given a 72-hour mandate to try to bring the two groups together, in the public interest, and to agree on something on a voluntary basis, is reasonable. If they do not agree, the mediator would then publish his own recommendations so that the public could make some judgment about the government's attitude and also, in fairness in terms of respecting the impartial nature of the mediator, the proposals should be sent to the trade union membership along with their own bargaining committee's assessment of them.

● (2040)

I think this proposal has a chance of working. I do not want to claim any more than that. It would interfere in a minimal way with the collective bargaining process, and perhaps would have a chance of getting the Post Office back into operation and the postal workers back to work under conditions they might find acceptable.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I must congratulate the hon. member for Vancouver Quadra (Mr. Clarke) for having moved this motion to adjourn to discuss that famous issue of the postal strike, whose study is essential and whose settlement is urgent for all Canadians.

For many years, we have been tackling disastrous strikes, more especially in the civil service. Why? Because we have forgotten the main thing, Madam Speaker, and personally, I have always been convinced that we have been elected to this House to protect the rights of the majority in Canada.

Now in this postal strike, a group of workers, whether they are 20,000, 22,000 or more, are trampling the right of 23 million Canadians to a postal service. The government should therefore require compliance with this right and refrain from walking on a tightrope. On one hand, we hear labour leaders repeat that the minister does not want to resume negotiations while the Postmaster General stated once again today in the House that he is always ready to negotiate.

In all this muddle, who is right and who is wrong? Will government try once more to sit on the fence while avoiding to take the steps that are called for the return to work and that would settle all these disputes once and for all, by creating an arbitration board granted with all appropriate powers of decision.

When will the government cease to make the public pay for its listlessness and its lack of leadership? Why not take a direct action to create and develop suitable and permanent mechanisms to ensure that such crises will not recur continually?

In the Post Office, more than anywhere else, especially in the large centres, due to the number of unions operating inside the postal service, one day we have the truck drivers' strike, another day that of the letter carriers, today it is the postal workers. It is an endless succession of strikes, and that has been going for many years, Madam Speaker.

Who is victimized by all these strikes? The Canadian public. Who could in fact settle all these strikes? None other than the government and union leaders, because they are the ones who have the ability to settle these strikes within the civil service. Madam Speaker, I suggest the government is more than any body responsible for all these strikes which are causing the Canadian economy to deteriorate. We have suggested to the government on a number

of occasions the logical and equitable way to clean up relations within the civil service.

But the government prefers to play the political game and let the Canadian public believe that all the wrongs are on the unions' side. I cannot completely excuse a number of union leaders because, when I consider what is going on, and having talked to a number of postal workers in my own area, I wonder if they really abide by the democratic law which they preach both in respect of the government and their membership, when they insist on a vote by a show of hands whenever the time comes for important decision making such as going on strike.

In order to demonstrate their sincerity, since they claim they are sincere, we can see them all day long on TV to demonstrate their sincerity. Why do these union leaders themselves not propose a secret ballot to the government which is too fearful to step in, Madam Speaker?

When I mention a secret ballot, I am reminded of the New Democratic Party's action. I was very surprised at hon. members of that party opposing the secret ballot. I believe that if there is a way to express one's view freely and democratically, it is through the secret ballot. I wonder why the New Democratic Party members reject such a policy. It is the only way to be fair to everybody and I am convinced—

The Deputy Speaker (Mrs. Morin): Order, please. I am sorry I have to interrupt the hon. member—

[*English*]

There are so many private debates going on that the official reporters are having difficulty hearing.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): Perhaps if these private conversations could be held behind the curtains it would help the hon. member for Roberval (Mr. Gauthier).

Some hon. Members: Hear, hear!

● (2050)

[*Translation*]

Mr. Gauthier (Roberval): I congratulate you, Madam Speaker, and I thank you very much because I was going to attract your attention to say that about ten groups wanted to deliver their speeches at the same time as me. It is annoying to have ten groups speak at the same time. I would like to be able to finish my speech quietly and my friends who are on the frontbenches will speak all night long if they wish to speak, because we may stay here all night long.

I am sorry; I would like to answer them but my time is too short.

If the minister asked for a secret ballot, I am convinced there would be surprises on both sides, and the Canadian people as a whole would know who is right and who is wrong.

Christmas and New Year are coming and I cannot conceive that the responsible persons on both sides are unable to act loyally, which would end the conflict immediately. Government and union leaders remind me of two teams of wrestlers eager to win but, unlike true professional wrestlers who fight legally in a ring, they fight at the expenses of Canadian taxpayers. Madam Speaker, this is what we cannot admit. You will agree with me that this fight is most disgusting. We note that both parties try not to lose face before their members or the public. We know that it might be humiliating for the Postmaster General (Mr. Mackasey) to introduce special legislation requiring postal workers to go back to work and we also know that the union leaders secretly hope for such action to disguise their defeat in front of a minister who finds their demands exaggerated. After all, an increase of $1.70 an hour would give postal workers an average hourly salary of $6.26 and this, solely to sort letters, Madam Speaker. To initiate a first agreement they were offered $6.26 an hour. This is acceptable to begin with and I know by experience that many postal workers are ready to accept it, but the leaders require $2.73 an hour, which would yield an average salary of $7.29 an hour.

Let me read you an excerpt from the newspaper *Le Quotidien* dated November 13 last. I quote:

> On the other hand, there will be a waiting period until Mr. Bryce Mackasey returns to Ottawa, although he had not changed his stand on an increase of $1.70 an hour over 30 months. For its part, the union is asking $2.73 over 27 months. The average hourly rate is now $4.56 and the government proposal would increase the annual salary to about $13,000 from now till the end of 1976.

That strikes me as a reasonable start, until better can be achieved. In that way, the people would be given a chance. I go back to the quotation:

> Mr. Joe Davidson, president of the Canadian Union of Postal Workers, returning from a visit to southern Ontario branches, stated Tuesday in Ottawa that his union was ready to resume negotiations . . .

I believe Mr. Davidson is becoming more lenient. He claims to be willing to resume negotiations. I feel that may mean he will get his members to accept $1.70 initially, because he is convinced, as everyone else today, that most of the postal workers want the strike to end.

In my area, for instance, every rural post office is now open. Employees continue to get their cheques. In rural ridings you do not notice it too much but in large centres where there is no mail that bothers us a bit. Our post offices are open, they are ready, they want this to end and we are told that it is the union leaders who are too radical.

One only has to read the papers to see the number of people who want this strike to end. People say they are prepared to accept the monetary proposals. But there is a dictatorship from union leaders who want to defend the honour of their royalty over their subjects. Union leaders talk strongly about democracy and they are the first ones to care the least about it. Several members want a secret vote to get justice but union bouncers oppose it. Madam Speaker. Why? To develop their famous mail delivery service they set up at $1.25, $1.50 and $2.00 per unit. Will that result in money savings for our fellow citizens who already pay for the postal service? Madam Speaker, where are we going with such a mess? Who has the authority finally here in this Parliament? Would it be Mr. Pepin and all the others, or the minister and the government, or still the cabinet who has the authority? With that feverish fear of a possible reaction at election time, this government shirks all its responsibilities in all areas and we had a striking example of that the other day when we heard the Minister of Finance state that he had no power over the Bank of

Canada. How about that! Today will the Postmaster General refuse to take his responsibilities, to do what everyone expects him to do? Will all departments join that stampede? I hope not, Madam Speaker.

So tonight we are asking this government, in awaiting other solutions, to issue a back to work order and demand a secret vote when a strike is called to protect the individual freedom of all union members who often cannot express themselves at a general meeting for fear of reprisals. That is what I wanted to say to the Postmaster General tonight, and I hope he will take his responsibilities once and for all.

[*English*]

Hon. Bryce Mackasey (Postmaster General): Madam Speaker, I join the hon. member for Vancouver Quadra (Mr. Clarke) in wishing the hon. member for Brandon-Souris (Mr. Dinsdale), whose advice I miss, renewed health. May I also assure the hon. member for Vancouver Quadra that he was in no way responsible for my illness last Friday. I have a personal responsibility not to sit in the House of Commons one minute longer than I must, if sitting here means wrecking my health. That much, at least, I owe my family.

I could take many avenues in discussing this matter. I could talk to the negotiating team sitting behind me in the gallery, waiting with baited breath for me, perhaps, to tear a strip off them, but that would be a waste of time and effort.

I listened with attention to the philosophy expounded by the hon. member for Oshawa-Whitby (Mr. Broadbent), much of which I support. We must consider why, in our type of society, we tolerate strikes. I think the Post Office strike has shown from the first week that our people have adjusted to it psychologically. It is amazing how people can adjust, if they think they should for the good of the democratic system. I suggest that is happening in Canada today.

Talking about strikes, I recall Kenneth Galbraith saying one day that the only strike which really bothered him was an elevator strike, because his office was on the forty-fifth floor of the Empire State Building. He said, "Of course, the problem was easy to solve." I asked him what he did. He said he went down to the street and rented an office on the bottom floor.

As someone properly pointed out, new technology is making the Post Office less important for a greater number of Canadians. People are using computer service, new technology, getting by with telex, and using the telephone. We are sending out senior citizen cheques. It is true that small businessmen and those in the direct mail business are badly affected by this strike, but it is remarkable that fewer than 50 of the 3,800 telegrams sent registered complaints.

Our greatest support has come from people in the direct mail industry. They say, "For goodness sake, let's have one good strike and get it over with, instead of having these illegal stoppages which have plagued the office for the past five years." That is my feeling, too.

● (2100)

The leader of the New Democratic Party, a good leader, tried to have it both ways, which is not unusual. He stood up and said that the suggestion of the Conservative party was ridiculous. I suggest it was not nearly as ridiculous as his suggestion that we introduce a mediator at this late stage.

Some hon. Members: Hear, hear!

Mr. Mackasey: He should know that if the PSSR Act does not permit the particular power that is suggested, when we pass legislation it will be an easy matter to include since parliament reigns supreme. I have philosophically no trouble introducing into the legislation, at the disposal of an independent body, which is the Public Service Staff Relations Board, the particular power that it may need in order to bring order out of chaos in the odd strike in the public service. This is quite consistent with the power they now have. It might be the answer.

The cruel thing about the suggestion of the hon. member for Oshawa-Whitby is that it leaves those workers, who normally would be quite satisfied with the settlement, once again with the hope that to hang on for another ten days or two weeks may bring them more.

Mr. Broadbent: Three days.

Mr. Mackasey: The hon. member in his excitement wants to have the best of both worlds. Just relax a little.

Some hon. Members: Hear, hear!

Mr. Mackasey: We did not hear him scream when the NDP government in British Columbia took the right to strike away from the workers.

Some hon. Members: Hear, hear!

Mr. Mackasey: His little suggestion that the mediator by settling three or four clauses would end the strike is not new. One would only add 12½ per cent to the 38 per cent already on the table, bringing the total—

An hon. Member: How do you know that?

Mr. Mackasey: It is easy to calculate. The hon. member does not know that to reduce the work week from 40 hours to 35 is 12½ per cent of the wage package. He cannot figure that out! The hon. member also said that we should reduce it to 35, and perhaps call for 37½ since most people in the public service have a 37½ hour work week.

Some hon. Members: Oh, oh!

Mr. Mackasey: I did not interrupt the hon. member; perhaps that was because he did not say anything to excite me. Then he complained about the formula of the COLA clause. There are about 68 on record. He did not point out that if the union were to get the COLA clause it would be only the second bargaining unit in the public service to get it. He also used the reverse argument that they should work 37½ hours because virtually everybody in the public service is doing that. In other words, he wants comparability when it suits him, but he does not want to follow the general pattern of the public service where it does not suit him.

The hon. member need not think for one minute that I am the least bit worried about face saving. I have a better

suggestion than a mediator. It would save 72 hours. That is that we put out to the membership tomorrow the conciliation board chairman's report, a chairman who was selected by the union, a chairman who is a member of the Superior Court of the province of Quebec. Probably the solution to this is not to take the government's last offer, but to take the report of the conciliation board chairman, submit it to the membership of the union and see if they are satisfied with it. The hon. member may turn around for advice to those who are more knowledgeable behind him, but if he looks this way he will learn a little more.

Some hon. Members: Hear, hear!

Mr. Mackasey: He might learn that in the conciliation board chairman's report is no inclusion for part-time workers of week-end premiums, something we gladly included, and not through hard bargaining but because it was a social right for regular workers and therefore a social right for part-time workers. This was not included in the conciliation board chairman's report but we extended it to 5,000 part-time workers.

I will be very happy to take that report, which is a very neutral report by a very learned judge, one who was named chairman by both parties, union and management. Perhaps our mistake was trying to improve on it through negotiations instead of simply taking it at this time of anti-inflation, submitting it to the membership, and suggesting that they, like all Canadians, have the good sense to practise a bit of restraint and follow the recommendations of the judge.

Just in case some members may think that the judge's recommendations were harsh, he suggested a 40 hour week, and $1.70 over 30 months with a COLA clause, the same as the other unit. In addition, he introduced a principle that took a lot of persuasion to accept. The principle is that if you regularly work Saturday and Sunday, not overtime but regularly, you are entitled to a premium of 75 cents for Sundays and 60 cents for Saturdays. I wonder how many bus drivers, streetcar drivers—who had to wait around for 15 hours to get in five hours—railway workers, airline workers, or cab drivers get an extra 75 cents an hour for working Sunday and 60 cents an hour for Saturday. This was recommended by the judge. I accepted it in principle. I did not accept the amount, but in negotiation we gave that to the union.

Possibly the main breakthrough in the report of the judge was the clause on automation. The irony is that the Postmaster General who is now being classed as reactionary brought in that particular clause in private industry. The union said they had to have this clause if they were going to continue working in the Post Office.

We all remember "Boycott the Postal Code". That was the slogan. We all remember the union leaders telling us how effective the boycott was, and how they had nullified automation. They are sitting up there. They will tell you they were able to offset automation by boycotting the postal code. It is significant that, despite the fact that nowhere in the public service does such a provision exist, this judge felt it logical, proper, and moral in this day and age that workers be protected against the effects of technology, a view I share.

[Mr. Mackasey.]

• (2110)

It is significant that Treasury Board in its wisdom agreed to include in this collective agreement complete and utter protection against the effects of technology when introduced by management, namely, a clause which says you must notify them, the union, in writing in ample time so that they can prepare to accept or reject the right to negotiate and then, if after so many days no settlement is reached, the matter goes to arbitration. I think there is a limit of 15 days within which the arbitrator must bring back a settlement, as in the case of the railways.

So in addition to the COLA clause which is unique in the public service, in addition to the weekend premiums which are unique virtually anywhere in Canada, you have this unique provision protecting public servants against the effects of automation. Indeed, they have complete security against lay-offs due to lack of business. I would like to include one day in our collective agreement provisions which would allow the Postmaster General of the day to have his work staff fluctuate with the volume of mail which comes in. Then you might get an efficient Post Office.

Some hon. Members: Hear, hear!

Mr. Mackasey: I might remind the postal workers and the union leaders that they have lost the equivalent of 3,500 man-year positions due to their illegal work stoppages over the last five years. They have yet to lose a single job through automation. Are we asking these workers to make a sacrifice? Do you think negotiations began in October? The hon. gentleman has gone to lick his wounds, but that is all right.

I want to make it clear that my objective is still to arrive at a negotiated settlement. On November 9, on television, in answer to a question I said on the issue of part time workers, which the hon. gentleman mentioned tonight, that we could begin negotiations there and then, that very evening. The trouble with this negotiating team is they never know when they've got a good bargain or when they have a good deal. They cannot seem to understand there does come a moment where there is just no more money to give them. If they think they are going to sit down tomorrow with a mediator, the Postmaster General or anybody representing the government, and end up with a settlement for less then 40 hours a week, or more than $1.70 an hour, for a shorter period than 30 months, they are dreaming in technicolour.

Some hon. Members: Hear, hear!

Mr. Mackasey: That is true whether the strike lasts a day, a week, a month or a year. It is a matter of principle here. We argue in this House sometimes about private enterprise. I think we all agree that sometimes there is bad management of business. You can get bad landlords, which means rent controls. You can get bad leadership.

An hon. Member: And bad government!

Mr. Mackasey: This has been going on since last January. Just in case anybody thinks that the bargaining unit—and I am not including myself as Postmaster General—cannot negotiate, take the case of the other union, the

letter carriers. They began bargaining in January. They bargained for a certain period of time, they went to a conciliation board, they bargained and went to mediation, and in June they arrived at what they considered to be the best collective agreement they had ever obtained, an agreement which was ratified by 82 per cent of the membership.

This union came in in March with a demand emanating from a union newspaper. Coupled with this demand were certain prerequisites, as they called them. Before they would even start negotiating we had to convert the Post Office into a Crown corporation. They also wanted an immediate raise of $1 an hour before they would even begin negotiating, plus one or two minor items. Finally, after getting through the conciliation officer stage in June, which at least brought in their demands, they got to the conciliation board stage in September-October—about then—and, as I mentioned, the Public Service Staff Relations Board named Jules Moisan of the Quebec Superior Court as chairman. This was after getting both parties to agree to the judge.

Because so little had been accomplished as a result of this harassment, this demand that the Post Office become a Crown corporation before negotiations could take place, it took that poor gentleman eight weeks of constant discussion with both parties in order to arrive at what is known as the Moisan report—the report of the chairman of that board. It was not a unanimous report; it was not even a majority report in the sense that we agreed only in principle to the weekend premium without putting any monetary value on it. It is wrong to say our position was inflexible since our first position was $1.15 for 32 months and did not include weekend premiums or specific benefit for part-time workers. We were very flexible, Madam Speaker.

I realize there are others who wish to speak, and there is a vote coming on pretty soon. I do not wish to continue afterward, but I might say that by April 24 there had been no less than eight meetings with that union. Finally, in July, they met with the conciliation officer and it was July 21 before they even sat down to hear the terms of reference. The conciliation board worked from August 18 to October 7 and negotiated from October 16 to November 6. People might ask, "How come there was a strike?" The answer is very simple. While we were negotiating in good faith, the union, because it did not have a strike mandate—and I say that publicly and as an honourable gentleman of this House—arranged in the dead of night with the minority in the major cities to set up picket lines so that the silent majority, the older workers, the responsible Canadians who only want to earn their living like anybody else, found themselves confronted when they went to the workplace with picket lines they did not dare cross.

What was the advantage to the membership to go on strike in the middle of negotiations? We in the government have no right to lock out. There was no particular advantage other than frighten off the majority of workers who were more than happy with the report of the conciliation chairman if through some legal means they could have had an opportunity of expressing that opinion.

Some hon. Members: Hear, hear!

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

Some hon. Members: Carry on.

The Acting Speaker (Mrs. Morin): The hon. minister may continue with unanimous consent. Is there such consent?

Some hon. Members: No.

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, I presume somebody else on the other side will be able to take up where the Postmaster General (Mr. Mackasey) left off. I do not want to escalate any controversy tonight; I hope to make a quiet contribution, if I may. It did seem to me that the Postmaster General was threshing over some recent history rather than telling the House what he proposes to do in the present emergency. We start off from a common position.

Mr. Speaker, if some of those fellows with louder voices and keener minds would keep quiet for a few minutes, we could perhaps make a little progress. I might suggest that this is the kind of controversy in which a little reason and a little less heat might produce a little more light.

● (2120)

We start off with the position that parliament has given the postal workers the right to strike. But all parties in the House recognize that there comes a point when the public interest must prevail and that the right to strike should be curtailed or modified in the particular situation. I think we agree that serious damage is being done as the strike continues. There is great inconvenience; there is perhaps irreparable harm being done to certain agencies, such as that well known charitable agency that depends very heavily upon the sale of Christmas seals. There is no need to document the damage that is being done.

I might remind the Postmaster General (Mr. Mackasey) that not everyone is in the position in which John Kenneth Galbraith found himself, that when he could not reach his accommodation on the fortieth floor he went down the street and rented some other accommodation. It is not everyone who can make up for the lack of a postal service by sending telegrams or using the telephone. If I may borrow a phrase commonly used by the Postmaster General, *res ipsa loquitur*.

The strike is continuing, with the main issue being the demand for rates of pay—I want to make sure I state it correctly—which are higher than the government says its anti-inflationary program will permit. In other words, the government's guidelines do not restrict the right to strike in this instance, but the government's anti-inflationary guidelines certainly circumscribe the scope of collective bargaining. So that when the government says it is a question of balancing the public interest against interference with free collective bargaining, we in this House must take note that the government, in the name of the public interest, has already taken a position in its fight against inflation and introduced legislation to limit increases in pay for which any labour union can bargain. I say it is

proposing limits on the right to collective bargaining for a far longer period than I find acceptable.

The union is seeking increases that are higher than the government says its guidelines will permit. The purpose of the continuing strike essentially is to persuade the government to accept a bigger increase than its guidelines permit. So it is really pretty silly, if I may speak frankly and bluntly, for the government to say that it does not want to interfere with the collective bargaining process, because it has already done that.

I also say it is pretty silly for the government to refuse to restore the postal service to the Canadian people, pretending that it is preserving the legal right of the union which it has already modified. Leaving aside for a moment the question whether the right to strike in essential services should be modified, and leaving aside for a moment all the difficulties that any such question raises or that any such position brings forward, the fact is that the anti-inflationary guidelines have been adopted by the government indicating a firm determination by the government to limit the scope of collective bargaining in so far as wage and salary increases are concerned. In these circumstances, it surely is close to hypocrisy for the government to say that it will not ask parliament to order a return to work, when the government has already decreed there is no way in which the union can get the higher wages it is striking for.

I have to ask myself whether there is not another motive for the position that the government is taking. Is the government refusing to ask parliament to intervene because doing so would in some way take the union off the hook? Is the government insisting that, despite all the damage being done to the public, the union has to be made to learn that it has to accept responsibility here? Parliament would not be letting the union off the hook if there was a back to work direction given by parliament, because any such order would be within the anti-inflationary guidelines of the government.

If the government is serious about holding to its guidelines it, the government, has to place the union on the hook—if we are going to talk about someone being on a hook. It is not a question of parliament taking the union off the hook. All of us in the House, including the government, have to recognize that the government has, by adopting its guidelines, placed the union on a hook and proposes to keep it there during the life of its wage and price guidelines program. So there is no question of taking the union off the hook.

Is the government's concern that parliament might take the union executive off the hook? The leaders of this union may not be very popular. It may be popular for the government to attack them; I do not know. But the public is certainly fed up with disruptions in postal service. Surely it is not our business in parliament, and it is not the business of the government, to try to break a union executive and to put the public to great loss and inconvenience in the process.

● (2130)

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the Leader of the Opposition but it being 9.30, pursuant to the order made earlier this House will now proceed to the taking of the deferred division on the motion for second reading of Bill C-58, and on the motion pursuant to Standing Order 58 (9) (*a*) standing in the name of the hon. member for Oshawa-Whitby (Mr. Broadbent). May I remind hon. members that it has been agreed, also, that the bells will ring for 15 minutes only. Call in the members.

[Mr. Stanfield.]

● (2140)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House divided on the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts, which was agreed to on the following division:

(*Division No. 78*)

YEAS

Messrs.

Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
Demers
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupont
Dupras
Duquet
Faulkner
Fleming
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Hogan
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Leblanc (Laurier)
Lee
Lefebvre
Leggatt
Lessard
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
Mackasey
Marceau
Marchand (Kamloops-Cariboo)
Martin
McRae
Milne
Morin (Mrs.)
Nicholson (Miss)
Nystrom
O'Connell
Olivier
Orlikow
Ouellet
Parent
Penner
Peters
Philbrook
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Robinson
Rompkey
Rooney
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stollery
Symes

Messrs.

Tessier
Trudeau
Turner (London East)
Watson
Young—123.

NAYS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Bawden
Beatty
Brisco
Cadieu
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Diefenbaker
Elzinga
Epp
Fairweather
Flynn
Friesen
Gauthier (Roberval)
Gillies
Grafftey
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hees
Hnatyshyn
Holmes
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Jones
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Laprise
La Salle
Lavoie
Lawrence
MacKay
MacLean
Macquarrie
Marshall
Masniuk
Matte
McCain
McGrath
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Oberle
O'Sullivan
Paproski
Patterson
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stewart (Marquette)
Towers
Trudel
Wenman
Whiteway
Whittaker
Wise
Woolliams—80.

Mr. Speaker: I declare the motion carried.

Motion agreed to on division, bill read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

* * *

● (2150)

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT FAILURE TO COMBAT INFLATION

The House proceeded to the deferred division on the motion of Mr. Broadbent:

That this House rejects the government's anti-inflationary program because it is totally unworkable in terms of controlling prices, because it provides no effective control over profits or professional incomes, and because it is completely unfair to wage and salary earners in Canada.

The House divided on the motion which was negatived on the following division:

(Division No. 79)

YEAS

Messrs.

Allard
Beaudoin
Benjamin
Brewin
Broadbent
Douglas (Nanaimo-Cowichan-The Islands)
Gauthier (Roberval)
Gilbert
Hogan
Jones
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Laprise
Leggatt
Matte
Nystrom
Orlikow
Peters
Symes—19.

Anti-inflation Program

NAYS

Messrs.

Alexander
Alkenbrack
Allmand
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Basford
Bawden
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clarke (Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cossitt
Côté
Crouse
Cyr
Danson
Darling
Daudlin
Demers
Diefenbaker
Douglas (Bruce-Grey)
Drury
Dupont
Dupras
Duquet
Elzinga
Epp
Fairweather
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Goyer
Grafftey
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hamilton (Qu'Appelle-Moose Mountain).
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Hopkins
Howie
Huntington
Hurlburt
Isabelle
Jamieson
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
La Salle
Lavoie
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Marceau
Marchand (Kamloops-Cariboo)
Marshall
Martin
Masniuk
McCain
McGrath
McKinley
McKinnon
McRae
Milne
Mitges
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Oberle
O'Connell
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Penner
Philbrook
Portelance
Poulin
Prud'homme
Railton
Reid
Reynolds
Richardson
Robinson
Roche
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Rynard
Sauvé (Mrs.)
Schellenberger
Scott
Sharp
Skoreyko
Smith (Churchill)
Smith (Saint-Jean)
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Tessier
Towers
Trudeau
Trudel
Turner (London East)
Watson
Wenman
Whiteway
Whittaker
Wise
Woolliams
Young—183.

● (2200)

Mr. Speaker: I therefore declare the motion lost.

Motion (Mr. Broadbent) negatived.

Mr. Speaker: Pursuant to the order made today the House will now resume consideration of the motion of the hon. member for Vancouver Quadra (Mr. Clarke). Before

doing so, however, the hon. President of the Privy Council (Mr. Sharp) rises on a point of order.

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, I thought I might take advantage of a pause in the deliberations to announce the business for tomorrow and the rest of the week.

In the interest of getting as many bills forward into committee as quickly as possible I propose that we deal with the following bills, hopefully by Friday, Thursday being an opposition day: Bill C-75 dealing with government annuities, Bill C-61 maritime code, and Bill C-71 dealing with amendments to the Criminal Code.

MOTION TO ADJOURN UNDER S.O. 26

POST OFFICE

STRIKE OF POSTAL WORKERS

The House resumed consideration of the motion of the hon. member for Vancouver Quadra (Mr. Clarke):

That this House do now adjourn.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, before I was interrupted by the bell for the vote I was emphasizing that the government had already substantially restricted the scope of collective bargaining as a result of its anti-inflationary program, and that consequently it was very close to hypocrisy for the government to refrain from taking any action or put any measure before parliament, on the grounds that this would interfere with a right given to the postal workers by parliament when, as a matter of general policy, the government had expressed its determination that the scope of collective bargaining would be limited during the course of its control program, and had made it very clear that there was no way in which the union could get more than had been offered to them.

I therefore had to ask myself what the real motive was for the government's failure to act. It cannot be explained on the ground that a return to work order by parliament would take the union off the hook, because the government has already placed the union on a hook that will last as long as the control programs are in place. I had to ask myself therefore what the reason was for the government's behaviour, the reason for the Postmaster General's reiteration of the position here tonight that a good long strike would be a good thing. I do not want to misquote him or misinterpret him, but that is what I understood him to say—that a good long strike would be a good thing for the country. In the circumstances I had to ask whether the reason for this was the desire of the government to break the union executive, and incidentally to put the public to great loss and inconvenience in the process.

There certainly have been cases of government intervention in the management and operation of unions. In some instances unions have been put into trusteeship. Is the government in this instance trying to accomplish through the pressure of a long strike what it is not prepared to do openly? If the government lets things go on until Easter, if the government encourages continuance of a strike of these postal employees until Easter, as the minister says he is prepared to do, the government may very well destroy the union executive, and perhaps the union itself, and would certainly also destroy a lot of Canadian people in the process.

Some hon. Members: Hear, hear!

Mr. Stanfield: While John Kenneth Galbraith may be able to look after himself, there are a lot of Canadians who cannot look after themselves.

Some hon. Members: Hear, hear!

Mr. Stanfield: There has been discussion about the advisability of a vote. The hon. member for St. John's East (Mr. McGrath) put forward a constructive motion this afternoon which the government accepted. The leader of the New Democratic party this evening suggested that was an unwarranted intervention, that there was no legal authority to do it in the first place, that it was an unwarranted intervention in the affairs of the union, and he then proposed a modification of this which the Postmaster General, in his turn, ridiculed. I had the impression from what has been said, and from my own background, that any question could be put to the membership of the union either only with the approval of the executive or by a change in legislation. That would be the case whether it is the proposal of the leader of the New Democratic Party or the proposal of the hon. member for St. John's East and legislation would be required.

The leader of the New Democratic Party did not indicate whether the union accepted his proposal. I assume he was not speaking with the authority or approval of the union. I want to say I feel certain that, if there is a way of getting a vote of the membership on a reasonable proposition within a reasonable period of time, parliament and the people of Canada would be prepared to wait for that.

● (2210)

I do not want to be unfair but I do not think the Postmaster General (Mr. Mackasey) indicated this evening that he would take constructive action to settle this issue. He had plenty of time, although there was not enough time for him to review the last ten years of postal negotiations and tell the House what he intends to do.

In summary I say, as my time is nearly finished, that we should do all we can to bring before the membership this question in a fair way, in order that there may be a vote. If that cannot be done, if legislation for accomplishing that purpose must be introduced, then in the national interest the government should ask parliament to order a return to work, with a provision for continued negotiation for limited time. I repeat what I said several times previously. It is sheer hypocrisy, or close to it, for the government to say it cannot do that because it would be an intervention in the collective bargaining process; after all, the government has already intervened drastically. It has limited the scope of

collective bargaining by adopting and being determined to enforce its guidelines.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I listened to the contributions of members of the opposition parties in this House, and I listened to the Postmaster General (Mr. Mackasey). I ask again what do opposition members say to the government should be done at this stage?

Mr. Baker (Grenville-Carleton): Get off the pot.

Mr. Francis: I will try to be fair and analyse the statements made so far. The mover of the motion, the hon. member for Vancouver Quadra (Mr. Clarke)—

Some hon. Members: Oh, oh!

Mr. Francis: Mr. Speaker, there appears to be some noise in the House.

Mr. Deputy Speaker: Order, please. I ask the co-operation of all hon. members. I hesitate to invite those talking too loudly to leave the House, as we want as many hon. members as possible to remain. The hon. member for Ottawa West (Mr. Francis) has the floor.

Mr. Francis: Mr. Speaker, the mover of the motion proposed three courses of action: he suggested that the government should consider back-to-work legislation, which is the sum and substance of his leader's recommendations; that the government should pay more money, although in the next breath he said that this must be approved by the Anti-Inflation Board, which is hardly a suggestion he could make in good faith in light of the clear guidelines proposed; or that we should do something with regard to section 8 of the Post Office Act which would mean, in effect, the dismantling of the department. Surely that was not a serious proposal.

Clearly the sum and substance of the recommendations of the official opposition are that we should consider back to work legislation as soon as possible. I want to examine the implications of that.

Mr. Baker (Grenville-Carleton): That is not so. You are only putting part of the case.

Mr. Francis: I am drawing my own conclusions, having listened attentively to official opposition spokesmen and NDP spokesmen.

What is the position of the NDP? They favour free collective bargaining but say that under present procedures strikes now and again must occur. Further, they say that the Postmaster General, in his dealings with the union membership, is showing bad faith as an employer. That was the expression the hon. member for Oshawa-Whitby (Mr. Broadbent) used. Then the NDP suggested that we should appoint a mediator who would look at certain issues. The hon. member for Oshawa-Whitby elucidated his position in the clearest terms.

He suggested that the work week should be reduced. That would have added 12 per cent to the package of 38 per cent.

Mr. Broadbent: You did not listen.

Mr. Francis: The reduction of working hours is the same as an increase in pay. It is one or the other.

Mr. Broadbent: You did not listen.

Mr. Francis: The hon. member can talk all he wants. He cannot get around the fact. Then he talked about a small thing, the elimination of the differential with the letter carriers, a mere matter of 35 cents an hour. That was nothing really. The government should be able to do that. In addition, the cap should be taken off the COLA clause. That was not much; why, any self-respecting government should be prepared to offer that much. There were a couple of other small items. The hon. member mentioned long service pay, equal pay for full and part-time employees, and one or two other matters. I did a little arithmetic. My mathematics, which are not the best, say that the hon. member would have offered those on strike between 55 per cent and 60 per cent more. The government has offered 38 per cent.

Some hon. Members: Oh, oh!

Mr. Francis: I am trying to analyse. He did not quite say that he would offer that much, but he did say that a mediator should look at these things. I suggest one can draw only one inference from his wishing to appoint a mediator again, and that is that the union should expect to get more; otherwise there is no point to the process.

Mr. Broadbent: Some more; that is precisely right.

Mr. Francis: The hon. member admits my point.

What did the hon. member say about inflation? I think he made on reference to the Anti-Inflation Board. He said he hoped that the solution, whatever it may be, would be arrived at voluntarily, and would be referred to the Anti-Inflation Board. I do not know with what sort of tongue in cheek he spoke at that point. I did not hear him say a single critical word about the conduct of the union or its executive. All his criticism was reserved for the government. In his books the union had not done one thing wrong. Not one word did he say about other's rights and about the way this strike has been conducted.

I hope the hon. member for Oshawa-Whitby will confer with the hon. member seated immediately to his left, for that member sits on the joint committee of this place and the Senate on Employer-Employee Relations in the Public Service. This spring there appeared as a witness before that committee the leader of the union now on strike, Mr. Davidson. I call the attention of this House to something Mr. Davidson said in testimony. He said that there is one thing wrong with the Post Office—its managers do not have the guts to charge enough for their services. He said that first class letters should cost 25 cents to send. I ask, what will this do to the pensioners, the people about whom the hon. member's colleague—I give him full marks for his concern—is worried? Will he support a union whose leader says that first class mail in this country should cost 25 cents to send? Is he prepared to see that done? Is he prepared to side with the union whose leader has said on tape and in front of the television camera, "The public be damned!" Has the hon. member not one critical word to say about that union?

An hon. Member: Ask him where he holds his membership.

Mr. Francis: That is a good question but I do not propose to add it to my list. I simply say this: the hon. member's party must show responsibility. It cannot say one thing to the old age pensioner and another to the rest of the population.

Some hon. Members: Hear, hear!

Mr. Francis: Mr. Speaker, I call this an irresponsible strike, a challenge to parliament's attempt to deal with inflation. There is a danger that the public will force parliament to pass legislation which will be a reaction to this strike, and that would be unfortunate indeed. The members of this House and of the other place who sit on the special joint committee have a serious responsibility in weighing recommendations to be made, for we must avoid that situation, and make sure that legislation is passed only if it is absolutely necessary.

● (2220)

I made the suggestion to the committee that before a legal strike could take place the Public Service Staff Relations Board should conduct a vote on the final offer of the employer and that the board should be responsible for certifying the results of that vote. I know there are problems with any suggestion of this nature. I know it will be opposed by members of the New Democratic Party, among others, but they have to answer to the people of Canada what we are going to do to stop a union executive that will not allow the employer's final offer to be voted upon in a free and secret ballot.

Some hon. Members: Hear, hear!

Mr. Francis: In the constituency I have the honour to represent there are many small businessmen who are being hurt, and badly hurt by this strike. There are many people who are being inconvenienced, but I have been most encouraged by the calls that I have received. To a man and to a woman, they are saying the government has to set an example in this fight against inflation. There is no way in which it can capitulate before this kind of union and this kind of activity, with its clear, open defiance of the program of the government in these circumstances.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with great interest to the speech made by the hon. member for Ottawa West (Mr. Francis) who, just a few moments ago, indicated the proposal he made to the joint committee on employer-employee relations. I do not want in any way to detract from the hon. member's interest in that subject because I know it is sincere. However, it is my understanding that that proposal was first made in a public way by the hon. member for Brandon-Souris (Mr. Dinsdale), who cannot be here this evening. Whether that is right or wrong, it is a very important consideration. As a member of the committee, I commend him for that.

When the opportunity comes to deal with the matter, which I hope will be shortly, I intend to support it. That kind of principle will guarantee that which I suspect has not taken place within the postal union, that is, the opportunity for the rank and file of the union to consider in a free and open way the offer that has been made to it.

I want to talk for a few moments about the speech made by the hon. member for Oshawa-Whitby (Mr. Broadbent). He talked about mediation. It may be a useful exercise, perhaps not. The hon. member asked us to consider the position of the union. He castigated the government. Not once did he ask us to consider the public interest.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): The emphasis of his speech was the preservation of the right to strike. That is an important right, but it should not override the public interest. We should not lose track of the importance of that.

I do not want to suggest that in terms of attitude the hon. member for Oshawa-Whitby is the only one who can be faulted. Some blame has to be laid at the feet of the Postmaster General (Mr. Mackasey). It was he who said in this House "Let's have one good strike and have it over with." In effect he was saying small business be damned, senior citizens be damned, people who depend on investment income be damned. I put him in no better position with respect to that statement in terms of leadership than the president of the union who said the public be damned.

A few moments ago some speakers called for leaderhips. I do not want to be unkind to the Postmaster General. In the history of this whole matter with regard to the bringing together of the parties and the settlement of the dispute there has been at least a modicum of a lack of leadership on both sides.

The purpose of the motion tonight is not to call one another names. That is not productive. It is to give encouragement to the government on one hand, and to the union members on the other, with regard to the settlement of the dispute. It is to say to the leadership of the union that this parliament does not approve of any tactic which deprives the members of the union of the right to deal with an offer that has been made by management. That is a very important matter.

The hon. member for Ottawa West did not mention the complete position put forward by this party to-night. I call his attention to the admirable speech made by the Leader of the Opposition (Mr. Stanfield) who made it clear that this party wants, first of all, that the union membership have the right to a free vote. I do not think that there is any doubt about that in this House. If there is, let that member stand up and say so. The government ought to take this into consideration, not in two weeks, but now. If that fails, having regard to the importance of the public service and the postal service in the public interest, it is important that the government face up to the fact that the alternative, which we would all regret, is putting the union back to work. That position was put fairly carefully by the two people who have spoken thus far in this party.

This evening I received a call from a member of the postal union in the town of Prescott. There are seven members in that bargaining unit. The scrutineer called and told me that a vote was taken on October 10, 1975. They had two ballots, one of which asked "Do you accept the

proposed collective agreement?". The second ballot asked "Do you support the recommendations of your negotiating committee?" or words to that effect. They were told that they were not to use the first ballot which would have put before that local, which is symbolic of a number of locals in this country, the question as to whether the government offer was good. This is what I have been told.

● (2230)

Still, they were told to vote on the second question, whether they supported the recommendation of the negotiating committee which was not to accept the offer made by the government. So they voted, this small local; there are seven of them in it. Six voted not to support the recommendations of the negotiating committee, and there was one spoiled ballot. That local was immediately decertified.

Some hon. Members: Oh, oh!

An hon. Member: Who decertified it?

Mr. Baker (Grenville-Carleton): They were told that as a result of that vote the union was authorized to continue in the position it had taken, because they had the executive committee and the negotiating committee authorization to deal only with the minority report. But the first question had never been submitted to the union membership, that question being: Do you accept the government's offer? That is the position of the local at Prescott. If that is the position of the local at Prescott, the question in my mind is: what is the position of locals across the country, and what would be the result if the government decided to move in the next little while and presented its last and final offer to the union membership?

In my submission, it would do two things: it would preserve democracy in the union, which is self-evidently not there at the moment, and it would probably lead to a return to work or at least to an overwhelming vote to return to work. I think this is worthy of the government's attention. Parliament is always in the position of being able to legislate them back to work, in any event.

What we see here is a spillover which could affect the public service far behond the right to strike in the postal service. I hear people suggesting we should do away completely with the right to strike in the public service, even though some of those who talk about such an eventuality cannot define what an essential service is; it is an extremely difficult area and one which the Finkelman committee is presently considering. I would point out that the record as far as public service bargaining is concerned has been pretty good except for the Post Office. I, for one, do not want rights which were given by parliament to be taken away unceremoniously, or even to hear people demanding that this be done because of the irresponsibility of the leadership of one union.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I do not think there is any person in this country connected with the union movement who wants this to happen. I do not think the members of the NDP want it to happen, but they have got themselves locked into a position which is intellectually dishonest and they do not know how to get out of it.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I do not wish to take up the time of the House unduly. The minister knows I regard public service bargaining as a complex matter, one not to be trifled with by people who wish to make a big show going around the country saying, "Let's get rid of the right to strike." The right to strike and the process of collective bargaining have been sanctioned by parliament. Before we take it away, I think we should let the main beneficiaries, in this case the postal workers, cast their votes—and if it takes a bill to do it, bring one in—on whether to accept the offer made to them by the government. I do not know whether that offer is right or wrong, too high or too low. In any case, it is subject to review by the Anti-Inflation Board. The minister nods his head.

Subject to all these considerations, to the extent it can having regard to the government's program, the membership ought to have the right to decide and the government ought to move quickly to give them that right.

Mr. D. M. Collenette (York East): Mr. Speaker, like many backbenchers on this side of the House I am glad to speak on the motion before us tonight. I am particularly happy to speak on the motion, first, to put my own views squarely on the record and, second and more important, to demonstrate the extent of the support members on our side of the House are giving to our Postmaster General (Mr. Mackasey), a man who has endangered his health and who has put his career on the line in the interests of achieving a fair, equitable settlement for a group of workers who have seen their incomes fall drastically behind over the past few years.

The first fight in this battle took place last spring when members of our caucus supported the Postmaster General in his attempt to convince Treasury Board that the letter carriers deserved a general salary increase. We agreed with him and argued that postal employees must be given the financial remuneration they had historically earned in the interests of restoring a measure of pride and dignity to an often maligned vocation. We won that fight and the leadership of the Letter Carriers Union is to be praised for its responsible deportment throughout the negotiations and for its part in arriving at a settlement.

It goes without saying that this general settlement should be extended to cover the other half of the postal employees, the inside workers as they are known. But here the problem became complicated. The minister was faced by an irresponsible president of the Canadian Union of Postal Workers—I hope he is still here tonight to hear what some of us feel about him—and an equally irresponsible chief negotiator for the union. He found himself dealing with two men whose personal ideological and political views superseded the best interests of those they were supposed to represent at the bargaining table. As a result we face a situation in which a fair settlement is sitting on that table, the majority of the postal workers across the country ready to accept its generous terms, yet their leaders are afraid to submit the package to a national vote. If there is a better example of trade unionist

totalitarianism and demagoguery, I defy members of the House to show me one.

Members on this side of the House are not anti-union. In fact if the members of the NDP did their homework they would find that two out of every four labour votes in this country go to the Liberal party. We have, historically, spoken for the workers. We are not anti-union, but we are against the demagoguery, the totalitarianism and the irresponsibility we find in our trade unions in Canada today.

The trouble is that Mr. Davidson is a product of a political culture which is radically different from the political culture in this country. He is a product of an anarchist strain evident over the past century on the Clydeside docks. As Freud saw everything through sexual eyeglasses, Mr. Davidson, like his mentor, Karl Marx, sees all political debate through the eyeglasses of class struggle and social strife.

● (2240)

There has been no tradition of class warfare in this country. We are all equal. We are all workers, not members of an upper class, middle class, or working class. Workers and management should be able to use the collective bargaining process without manipulation from those like the president of the Canadian Union of Postal Workers who try to impose their own political values upon a reasonable attempt to settle this dispute.

I feel I can take Mr. Davidson to task, Mr. Speaker. I was born in his country. I have studied in his country and I have worked there. I have seen the havoc wreaked upon the British economy by irresponsible trade union leadership, the trade union leadership elites that we see today. I do not want to see the same values, these destructive beliefs, transferred to the labour situation in this country.

What of the chief negotiator for the union, a man whose obviously unbending views cannot but lead one to the conclusion that he has an interest in sabotaging not only these particular postal negotiations but also the collective bargaining process in general. Perhaps—I say "perhaps", Mr. Speaker, because I am loth to utter this—he seeks to subvert the very essence and very fibre of the total political structure in this country through his ruminations and histrionics at the bargaining table.

The negotiators have asked for a 71 per cent salary increase. This has been scaled down. The Postmaster General bargained in good faith. Before monetary matters were to be discussed, the union wanted to discuss the effects of automation, and we negotiated. They wanted to discuss electronic surveillance, and we negotiated. They wanted to discuss casual labour, and we negotiated that too. Then when we wanted to get down to monetary matters, the bread and butter issues—as the Postmaster General has said, the average member of the Canadian Union of Postal Workers, the average worker in this country, just wants enough money to eat and give him a good standard of living—the union came along and threw in yet another bone of contention, a cost of living clause and a reduction in the work week. How many more minor issues do we have to settle before we get down to the principal issue of money?

Consistently this bargaining team has avoided the very generous settlement proposed. I need not go into the details, but it is 38 per cent, $1.70 an hour over 30 months, a settlement that exceeds the government's anti-inflation guidelines. What is this team negotiating? What is it avoiding? Why, as has been said earlier, do they not submit this settlement to a national vote?

I see the hon. member for Oshawa-Whitby (Mr. Broadbent) is not here to face the rest of the music this evening, but he castigated the Postmaster General for advocating a deviation from normal bargaining procedure by wanting the union membership to vote on the pay offer. He is right; it is a deviation from the normal bargaining procedure. But the union and the union's negotiating team have deviated from the normal bargaining procedure from the very beginning of these negotiations. In fact the chief negotiator and his associates have been downright devious in their behaviour throughout.

So we have the spectre of these two gentlemen, a latter day vaudeville team or Pied Piper team, going on their own merry way without regard for the thousands of helpless members they are leading into debt each day this dispute continues. It is the spectre of two men on full union pay of some $18,000 to $19,000 a year, twice as much as an average postal worker makes, hob-nobbing across this country, flying, I am told, in first-class accommodation on Air Canada, eating and drinking from an apparently inexhaustible expense account paid for by the sweat of the members whom they dare say they represent. What a charade! What an injustice!

This ineffectual motion before us expresses timid concern but shies away from a substantive recommendation. I see the hon. member for Vancouver Quadra (Mr. Clarke) has also left. He is a hard-working fellow. He is amiable—I know him well—and he is respected by many in this House. However, tonight it appears that he and the others of his party who support this motion are ambivalent.

My colleague, the hon. member for Ottawa West (Mr. Francis), analysed the motion and asked what members of the opposition really wanted. What do they want? Do they want to give the workers more money? Or are they asking the government to introduce legislation forcing the postal employees back to work? The hon. member for Hamilton West (Mr. Alexander) talks about showing concern for the public interest. That is a lovely phrase. But because they do not have the obligation to govern, hon. members opposite do not have to be specific and tell us what we should do. If they want the government to shoot holes in its anti-inflation program by awarding the postal workers more money, let them say it. If they want back-to-work legislation, let them say it. But let them not introduce a namby-pamby, wishy-washy motion like the one before us which is keeping us up well past our bedtime.

Let me tell you, Mr. Speaker, why the members on this side are firm about not legislating the workers back to their jobs. We do not want to give the union bargaining team and its leadership the easy way out; it is as simple as that. This strike could have been avoided. We did not want a strike. The president of the Toronto local is one of my constituents, a very reasonable fellow. I have been besieged by calls from members of the union. They do not want to strike, but they are intimidated. That is what we have today, Mr. Speaker. It is not a question of fighting against trade unionism. You would have to be a fool to

argue the merits of trade union activity and the benefits trade unions have brought to society.

Mr. Patterson: The hon. member for Vancouver Quadra (Mr. Clarke) is here now.

Mr. Collenette: Good; I hope he is listening. What we are really arguing about is the subversion of the trade union movement, and inadvertently the subversion of democracy. We do not only have to talk about this dispute; we can talk about the longshoremen's dispute where union leaders in this country defied parliament, or tried to defy parliament. Once we settle this dispute we have to get down to serious thought about improving labour relations. But I stress this can be done only after we settle this dispute. As far as I am concerned—and I am sure I speak for most of the members on this side—it will be a long way to go before we want to give parliament a job that it should not really be doing by legislating the postal workers back to work.

The real solution here lies with the workers. As each day passes, I am sure that more of them will go back to work. More will decide that to work and earn a living and accept a generous settlement is better than sitting on the sidelines while their leaders provoke great dissent and discussion across the land at the cost of the average worker. There is no doubt that the Postmaster General's stand has the full support of the people in the metropolitan Toronto area from which I come. It is also quite evident to me that workers in the Toronto area, and probably in other parts of the country, do not want to stay on strike any longer; they would love to accept the wage offer.

I could go on and on but would only be repeating what has already been said, and I know there are more speakers. If this union's leaders really had the guts to submit this offer to its workers, then they would be worthy of showing leadership and could be praised. But they are not giving this kind of leadership. They are not interested in a settlement. As I have said before, I hope members of this side hang tough over the next two or three weeks, or however long it takes.

● (2250)

You can talk about small businessmen over there as much as you like, but they are learning to adjust.

Some hon. Members: Oh, oh!

Mr. Collenette: We all have small businessmen in our ridings. The Tory party does not have a monopoly on small businesses. Small business has been one of the backbones not only of the country but of the Liberal party as well, and small businessmen can adjust. This is a red herring you throw out every time. You always talk about small business being hurt.

An hon. Member: You should talk to them.

Mr. Collenette: Where is Mr. Bullock and his 35,000 member association? What does he say? They are riding this out because they know it is about time we settle this business of strike in the Post Office once and for all.

Mr. Clarke (Vancouver Quadra): Mr. Speaker, as the proposer of this motion I rise on a point of order. I listened very intently to the remarks of the hon. member for York East (Mr. Collenette). He said some disparaging things about the content of this motion. Let me suggest that he might read the motion and the Standing Order under which it is proposed, since the purport of the content of the motion is simply that this House do now adjourn.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, on the one hand the credit must of course go to my party for making it possible to take part in this emergency debate this evening. On the other hand it is a sad state of affairs indeed when parliamentarians once again have to digress from the regular day-to-day proceedings of the House of Commons and force themselves to discuss the problem of yet another strike. I say sad, because if the government had a half decent policy to deal with strikes in general, particularly those in essential services such as the Post Office, it would not have to depend on any special motions or Standing Orders such as this, and a majority of work stoppages could be prevented.

It is clear to see that the government not only does not have a half decent policy relating to work stoppages, but it in fact has no policy whatsoever to deal with these destructive strikes which bring many of our industries to their knees, and just as many small businessmen to a tragic end.

I do not have to expound on the fact that a strike like the one we are facing today threatens the very existence of small businesses in Canada, the existence of which has become a vital part of our over-all economy, as it is the small businessman who forms the backbone of our economic and industrial way of life, regardless of what the Liberal speaker before me said.

By allowing this strike to continue and by not presenting a comprehensive program encompassing the whole, general, broad area of exorbitant union demands, we will only assist in the complete destruction of the economy of this country. I should like to point out, however, that the Postmaster General (Mr. Mackasey) has at least taken the honorable step of sticking firmly to his final monetary offer as far as this strike is concerned. Whether we legislate the CUPW back to work, which I personally would support wholeheartedly, or we wait for events to run their own course, or whatever, there is no question but that after much suffering by all Canadians, including the union members, at one point or another the mail will again flow and we will be back to square one. That is the sad thing, Mr. Speaker.

We will be back to square one waiting for another union, perhaps in the same service, to bring the nation to an economic standstill once again. We will be back to square one without having solved one solitary long-term issue, and that is my point. That is what is so frustrating about the government which deals with a problem on a temporary basis while at the same it allows unions to build long-term unprecedented strength. The only ones who benefit are those tough union leaders, some of whom are here this evening, who receive their incentives from who knows what infiltrators.

It would not be as tragic if, as a result of union power, the productivity in our country were increased, but unfortunately the fact of the matter is that while increases in labour wages continue to rise higher than any other wages

in the industrialized world, productivity in Canada has decreased by nearly 10 per cent per year. What better example could there be of inflation? The deficit in the Post Office, with all the union demands, can only be matched by that of the mayor of Montreal and his Olympic Games. In 1973 the Post Office had a deficit of $90 million, and in the last year that increased to over $320 million.

Again this would not be as serious if the postal service were at least adequate, but it seems to me the original natives of this country hundreds of years ago had a more reliable system of communication with smoke signals than we have through the Post Office today. I believe this is an obvious case of taking advantage of those who cannot fight for themselves but must depend on strong government intervention, intervening fairly on their behalf.

I am referring not only to small businessmen, whom I mentioned earlier, but to the two-thirds of the Canadian labour force which is not unionized. What about the large portion of the union membership who do not approve of their leaders, and there are many, and are either afraid to disapprove openly or who, in more cases than not, find their union votes are usually misrepresented and sometimes not counted at all because of the all too obvious voting irregularities that exist in a great many union halls in Canada today?

What seems to be the problem? There are many, and the first one is quite obvious. Look at the number of unions within some of the essential sectors of our economy. The Post Office, in fact, has five different unions. The problem, as I say, is obvious. Any one of those unions can force a strike within its own sector, just like the present strike by CUPW now taking place within the Post Office. It is an unfortunate possibility that after a settlement is finalized and the Post Office re-opens, the letter carriers will perhaps see fit to go on strike and thus bring the Post Office once again to a standstill, and we will have accomplished nothing.

The same is true in respect of the air transport industry with 15 different unions; 16 unions are involved in handling grain in this country, 21 different unions are involved in the rail service, and 35 at various ports.

Keeping this fragmentation of union power in mind I was happy to introduce a bill last July for the purpose of having union groups in a single public service sector bargaining with the Treasury Board simultaneously, and having contracts negotiated to run for a duration of three years. This would assure the taxpaying public that each essential public service sector would be strike free except for the possibility of a walk-out every three years.

In this regard I was pleased to note in a confidential memorandum to cabinet, prepared by the Minister of Labour (Mr. Munro) some months ago, recommendations along the line which I proposed in that bill. I would be more than pleased to withdraw my own bill in favour of a government bill dealing with the subject matter or, indeed, any legislative proposals that would help keep our economy on an even keel, but it seems quite obvious that the government is not prepared to move at all, let alone in that direction.

Even with the concept of single sector bargaining, however, further steps could be taken to limit labour disruptions while at the same time preserving fairness to labour. Therefore last March I presented another private bill based on the Taft-Hartley Act. This bill would give the Governor in Council the right to bring a strike or lock-out to an end on a temporary basis if such a strike or lock-out, in the opinion of the Governor in Council, would adversely affect the national or public interest if it continued. Such an order would naturally expire upon the execution of a collective agreement, and the strikers would be free to walk out on the expiry of their own agreement.

Lastly, I was able to introduce a bill today which in plain and simple terms would on a temporary basis, and I emphasize "temporary basis", take away the right to strike in the essential services of our economy for the duration of the government's Anti-Inflation Act, now at the committee stage.

If anyone thinks the anti-inflation program enunciated by the Prime Minister (Mr. Trudeau) last month can work on its own merit without amendments, he or she had better think again. Unless there are a number of changes made during the committee state I, for one, will be forced to vote against that bill when it comes back to the House.

There is no question but that the time has come for decisive government action regarding the multitude of strikes which continue to plague our country. The time has come not just for a temporary end to one strike but for a comprehensive program to deal with the loss of productivity due to strikes and walkouts on a long-term basis. We will not exist much longer as a viable industrial nation if we continue to take this ad hoc approach to strikes that the government is asking us to accept as a way of life.

● (2300)

In the last fiscal year, for example, there were 177,000 man-days lost as a result of strikes in the Post Office alone. That figure has already more than doubled as a result of the current work stoppage in the Post Office. In the last two fiscal years there were over 100,000 man-days lost in air transport, close to one million man-days lost in the rail service, and over 1½ million man-days lost as a result of strikes solely by employees under the jurisdiction of the federal government. This, Mr. Speaker, cannot be and is not a healthy sign of things to come under the present Liberal administration.

My fervent wish as a member of parliament and as a concerned citizen of this great country is that we parliamentarians get off our butts, leave party politics on the sidelines, and resolve a just and comprehensive settlement to this and future labour disputes that would benefit all Canadians.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the best proof members of parliament could have that a new start must be made if a settlement of the strike is to take place is the speech the Postmaster General (Mr. Mackasey) made tonight, because if ever there was a speech in which a minister was inflexible, obstinate, and self-righteous, this was it.

The minister preened himself on the fact that he has never made a mistake and is right in the final offer he made about a month ago, even though two months ago he was not prepared to offer a whole host of concessions

which he offered in the final days before the strike started, and in the three or four days after it started. So if ever there was proof that the minister has lost his ability to be objective in an effort to settle the dispute which is inconveniencing all the people of Canada, and which is causing great difficulty to so many people in Canada, it was the speech the minister made. I could hardly believe my ears when I heard the minister say the public is adjusting quite easily to the strike and that people are not suffering.

An hon. Member: He did not say that.

Mr. Orlikow: Yes; he said precisely that. He said the people have not been disturbed by the strike which has already gone on for a month. He said the strike could go on until Christmas, and indeed until Easter. On Friday, because my plane was late leaving for Winnipeg, I had to wait at the airport. While I was there I sat beside a businessman who told me that he is spending $100 a day on courier service. I did some arithmetic. I admit that my arithmetic is not very good but, calculating it on the basis of roughly 200 working days, it seems to me that that businessman has an expense now in the neighbourhood of over $20,000 a year. I think he is doing reasonably well, but he is not in a position to carry a burden of that kind. If the minister is talking about a strike lasting until Easter he is talking about a figure close to half that sum.

I also spoke to a businessman in my city. He has a mail order business. He deals in electrical appliances, radios, washing machines, and similar equipment. He has done virtually no business for the last month. It is all very well for the minister to say that businessmen are adjusting. It may be that Eatons, The Bay and Simpsons-Sears are adjusting quite well, but that businessman in Winnipeg, and I am sure many others like him, are not in a position to do business.

My friend, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), just told me about the people of Vancouver Island who grow holly for sale in places like California. They usually receive their orders by mail and send out their holly C.O.D. by mail. They are not receiving any orders, and if they did they would not know how to fill them. The Postmaster General has made up his mind that people can live with the strike for six months. He can manage. The government has a telephone system, a telex system and couriers. It can manage. That does not mean the ordinary citizens can manage. It certainly does not mean they can afford the effect of a strike which need not have occurred, and which ought not to be continuing.

We heard a very impassioned speech by the hon. member for York East (Mr. Collenette). He talked about what "we" had done to try to settle the strike. I suppose he was using the word we in a loyal party sense because I did not know that backbench members of parliament, especially government members like him who sit so far back I can hardly see them, were involved in the negotiations. I do not know how he knew that the President of the Canadian Union of Postal Workers is a stubborn man. He may be; I do not know. Neither of us were involved in the negotiations.

I suggest it takes two stubborn people to make an argument. If the union leaders have been stubborn, and they may have been—I have not been involved in the negotiations and do not know what they are doing but I do know what the Postmaster General has been doing—I know the Postmaster General has been very busy both inside and outside this House. If ever a cabinet minister curried favour of the representatives of the media it is this Postmaster General who sees them every half hour if he can, and gives them his side of the story. That is what we get through the media.

I do not say that the government is wrong or the union is right, but if ever there was a campaign to vilify a group of people it is that carried on by the Postmaster General against the union. One would think that the Post Office has been generous, that it was quick in making an offer, that the offer was a good offer, and that the union and workers rejected it out of hand.

We could go back almost ten years to the first stoppage. It was an illegal stoppage because there was no legislation permitting a strike in 1966. In 1966 the postal workers were illegally on strike. Any strike in which they would be involved at that time would be illegal. The Liberal government of the day appointed a judge from Quebec, Judge Montpetit, to look into the operations of the Post Office. There are several recommendations which were made by Judge Montpetit in 1966 which still have not been implemented by the Post Office under the leadership of this so-called friend of labour in 1975. Is it any wonder the postal workers, and not just their leaders, are unhappy with the government and the department?

● (2310)

Let me refer the parliamentary secretary to the *Globe and Mail* issue of Monday, November 10, which on its front page has the lead story entitled "Interference by other departments hampers Post Office, memo says". Who is the memo by? Not by that flaming radical, the president of the postal workers, not by the vice-president who has been heading the negotiation. It is written by the assistant deputy Postmaster-General, Mr. J. E. Uberig.

Let me just put on the record a couple of paragraphs from that report which he made to the Postmaster General and which the Postmaster General, in his desire to fight the postal workers' union probably filed in the not-to-be-read-for-a-year-from-now filing cabinet. I want to read that because some of us say that the Post Office Department and the minister are not entirely free of blame for this impasse to which we have come. The article in the *Globe and Mail* reads:

> Post Office Act states that the Postmaster General shall administer, superintend and manage the Post Office.
>
> This seems to be a simple enough authority, but a number of other acts have superimposed effects on the operations of the Post Office, so as to give certain authorities to other ministers of the government or to limit severely the ability of the Postmaster General (and through him the department) in dealing with problems—
>
> Problems arise not only with wage arrangements for blue-collar workers (e.g. reluctance to entertain concept of buy-back of sick leave accruals), but also with management (e.g. tardiness in establishing new pay rates for managerial exclusions—

The article goes on:

> —"the needs of a major portion of the postal employees who are in a blue-collared, industrial-type setting" because it does not allow bargaining on such items as technological change, classifications and other issues.

The author of the memo is saying this in connection with his analysis that the postal worker should come out of the jurisdiction of the Public Service Staff Relations Act and be included among the workers who come under the provisions of the revised Canada Labour Code.

I could go on, but there you have evidence from a senior official in the Post Office Department that the Post Office in its present set-up cannot do the job which it is required to do. Let us not talk about what this man says, or what Judge Monpetit said. Let us go back to about a year and a half ago when the operation of the automatic sorting machines was coming on stream.

What was the rate set by the Public Service Commission for the people who would be sorting the mail with automatic machines? They set it at 50 cents an hour less than for people sorting mail manually. I am not a expert on job classification, but one would have to be an idiot not to accept the fact that a person watching letters spewed through the machine at the rate of thousands a minute must concentrate a lot more than a person working at it manually.

That is what the Public Service Commission and the Post Office Department wanted to impose unilaterally on the employees. The employees had to threaten a work stoppage before the Post Office Department and the government relented.

Mr. Mackasey: May I ask the hon. member a question?

Mr. Orlikow: Yes, if it is not taken off my time.

Mr. Mackasey: I am sure the hon. member would not want to use the word threaten. There was a work stoppage, I think the hon. member made that point, but perhaps he would want to explain what happened as a result of the strike.

Mr. Orlikow: Mr. Speaker, I will be very happy to debate all these questions with the Postmaster General at the time when the estimates are brought before us and both he and I have time. The Minister said the government has gone as far as it can and that there is no more money. One would think that the offer which the government has made was made at the beginning of the negotiations. The fact is that there was little meaningful negotiation until the workers took a strike vote.

The minister suggests that they took the strike vote surreptitiously and that they went on strike surreptitiously. The fact is that they went on strike when the minister instructed his officials that there would have to be a settlement in an hour or there would be nothing to talk about. If anybody precipitated the strike it was the minister. What happened in the days after the strike? In the first few days after the strike they settled 128 clauses which were in dispute. Why did they not settle them before they went on strike? The minister said that they settled the question of casual workers. Of course they did. When? Either just before the workers went on strike or just after.

Mr. Mackasey: Mr. Speaker, I never mentioned casuals. I apologize if the hon. member misunderstood me. I said we settled the issue of automation before they want on strike, and I said we did not settle the 128 clauses the day after they went on strike.

[Mr. Orlikow.]

Mr. Orlikow: What I am saying is that a substantial part of what had been agreed to when the strike started or just after it started was agreed to not in the months when they were negotiating with a fair amount of good will but only with the threat of a strike, or after the strike started. We can talk about this when we have time. I say that the question of casual labour was not settled until very close to the time, either just before of just after the strike started. I say that the question of shift premiums was not settled until that time. I say that the question of premiums for part-time employees on weekends was not settled until that time.

What I am saying is that if the Post Office Department had been generous and fair, and if it had indicated it wanted to reach a settlement on some of those issues which go back more than ten years, and if the union leaders are everything that the minister says they are and everything that the hon. member for York East (Mr. Collenette) says they are—I do not know, I am not involved in the negotiations and I am not a member of the union—then I have enough faith in the common sense and good judgment of the oridnary worker to know that they would oust the leaders who are not doing a job for them, and elect others. But that is their business and they will handle it in a democratic way. They do not need me and they do not need the minister to tell them how to run their business.

Let me conclude by saying—I think the minister was not here when I said it at the beginning—that it is obvious to me that the minister's position has hardened to such a point that there can be no settlement with this minister because what he is saying to the workers—I am not discussing at the moment the merits or demerits of their case-in that he represents the Government of Canada which has given these workers everything they can get, and that if they want to stay out six months, they can do so, but they will not get any more. I say that this is not bargaining in good faith.

The minister may feel badly, he may be insulted, but I say he is anti-labour, he is as stubborn and mean as the management of the aircraft plant in Longueuil which kept its workers out for months, or was it years? I think the minister is trying to be fair, and he honestly believes that he is a friend of labour. I say to him—not that he is 100 per cent right, or that the union is 100 percent right—that he has become so emotionally involved in this question that he can no longer look at it objectively or rationally. He outht to remove himself voluntarily from the negotiations at this point. That is why we suggest that with the agreement of both sides a mediator should be appointed to look at the whole question and report back to both parties.

● (2320)

Maybe a mediator would say that the government has given everything it has to give, but both sides could make a fresh start on this strike. The minister says it is not causing great hardship, but it is. It is causing difficulties and trouble for thousands of ordinary people in Canada. Maybe after that action has been taken the strike could be brought to a conclusion with justness and fairness to both sides.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, in the short time that I have been here I think most

members of this House have come to realize that I am a very conciliatory person, a very reasonable person. I suppose most members know that I am from a constituency where most voters are union members. But I also happen to be in a rather unusual situation of not only having a very strong labour representation but I am one of those people to whom the two previous speakers kept referring, a small businessman. I rather basked in the warmth of their concern for the small businessman because I realized that I am one of the few in this House.

Mr. Gilbert: Bryce doesn't worry about it.

Mr. Anderson: I had a nagging doubt about whether it was the small businessman they were concerned about. As one involved with accounts receivable which are normally sent through the mail, and upon which I depend for my survival in business every month, I have found alternate ways of receiving the funds. We no longer mail them out; we use the phone, an invention which has been around for quite a while. We telephone people whose accounts are receivable and ask them to come to the office instead of sending cash by mail. People do pay their bills when informed of the amount, and most small businessmen have phones—at least in British Columbia.

It seemed to be indicated that a high cost was involved with the use of the telephone and courier services, but it is very interesting to note that the Insurance Corporation of British Columbia, which is a government run institution, is providing an excellent service. We pick up our mail from their claims office and, not only that, but they are willing to pick up all the mail for the other independent companies and provide that service. So, Mr. Speaker, business people are perhaps being used as a political ploy to bring into this House the issue of the postal service, in order to have it said that we cannot exist without it.

Mr. Alexander: Be serious.

Mr. Anderson: I am being very serious.

Mr. Alexander: You are not.

Mr. Anderson: Most small businessmen would agree to a fair and just settlement—they would put that before an immediate profit for a few months or a few weeks. Most small businessmen are responsible—I wish some other people were as responsible.

We have had the occasional strike in British Columbia. Unions such as the IWA have been known to strike, but I cannot recall an occasion when the IWA did not inform their membership of the packet that was being presented by management. I have sometimes had doubts as to when strikes should be called and people go out on strike because, from a humanitarian point of view, the wage earner is the one who ultimately suffers.

Although I can appreciate the concern that was expressed by several other members for the public and for business, may I say in all honesty that the person who suffers most is the worker on strike. He cannot afford to lose wages because he is not one of the high wage earners in our economy.

Mr. Hogan: What are you suggesting—that we do away with strikes?

Mr. Anderson: There are several other reasons why I believe the strike was unnecessary. First of all, the mediation report was accepted by the government and, second, the same contract that was offered to the inside workers had been accepted by the outside workers.

I think it is fair to say that historically the two unions have run in tandem. Those who suggest that the inside workers should receive more than the outside workers would only sow seeds of discontent for the future. The IWA and the CPU in British Columbia generally get exactly the same wage settlement because of the type of work they do. Anyone who suggests we should start bringing imbalance in there would be sowing the seeds of discontent for future negotiations.

Third, Mr. Speaker, on October 13 the government brought in guidelines. The union must surely realize that to stay out for six weeks, two months, or whatever period, would be fruitless unless we as a government decided we would not abide by our own guidelines—that we would scrap the program and go into some sort of anarchy. It is the responsibility of the minister in this first test of how we consider the guidelines to make sure that they are followed.

There is the mediation report, parity with the outside workers, and the guidelines. To go on strike and not refer back to their membership is irresponsible leadership, and is not the fault of the inside workers.

As I said earlier, the strike was unnecessary and simply weakens the bargaining position. The government cannot lock out a union. There was no necessity for the strike, and every union member on strike is losing approximately $40 or $50 per day.

There are going to be no winners, Mr. Speaker. Business will not win, the strikers will not win, the people of Canada who depend upon the mail service will not win. Everybody is a loser, but the biggest losers are the strikers. Regardless of any final settlement, they are going to lose money. I wish more members would think about them rather than the people who might not be able to write to an aunt in Regina. That is an inconvenience, but it is not something we cannot live without. The strikers are not highly paid and they can ill afford to lose money. That is a tragedy in a fruitless, unreasonable, and stupid strike.

So far the average inside postal worker has lost $1,000. In order to gain 20 cents an hour they would have to work 5,000 hours. I do not think the minister is anti-labour any more than I am. I am concerned about the workers, not the negotiators who, like most negotiators, can take care of themselves. Mostly I am concerned about the sorters who do the work.

● (2330)

The minister has fought hard to include the automation clause in the negotiations. He has done an excellent job, considering the existence of the guidelines, the settlement of the outside workers, and the matter of the arbitration hearing.

Hon. members, I think, are not concerned about the Post Office workers' right to strike. They want to see inside workers presented with the facts of a settlement. If they do not like the settlement they can refuse it; no one says they should not refuse it if they so choose. Many postal workers, especially in my area, do not know what the package contains. That package should be made known to them for study, and acceptance or rejection.

I have been in touch with many Canadians; their message is loud and clear: if the government is serious about fighting inflation, do not give in to blackmail; do not be coerced, because the people of Canada can put up for some time with not getting mail. The people do not expect the government to give in to unreasonable demands.

I hope that those who are losing money can vote on these questions. We live in a democratic society. Surely the workers in the union should decide their own destiny. After all they are losing money and they should have a voice in accepting or rejecting the settlement. I think the government can live either with an acceptance or rejection. The workers must be free to decide. I therefore hope that the minister will find some way of ensuring that they can decide their own destiny.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, the government should have initiated this debate a couple of weeks ago to obtain a consensus of the House, as most of us are fed up to the teeth with the utter nonsense involving the Post Office. Now that we are debating the issue I hope the Postmaster General (Mr. Mackasey) will stop straddling the fence and take steps immediately to get the mail moving.

I know that the government does not want to do anything to help the bandits in the postal unions save face, and I know that the two birds who are holding up the works would like nothing better than have us order the postal workers back to the job. Then they could say that they were only trying to get the posties a better deal but the government would not go back to the table. No matter what we do to get the mails moving again, those two birds, the squeaking, howling parrot, and that Scotch buzzard, Davidson, should be sent packing. Both are no better than blackmailers, and I know that the majority of Canadians are as fed up as I am with this kind of blackmail.

I was really surprised when the great champion of the working man, the leader of the NDP, earlier refused unanimous consent for our motion under Standing Order 43 which called for a national referendum, by secret ballot, on the government's final wage offer. The leader of the NDP must surely know that there is a division in the ranks of the CUPW and that the only democratic way it can be resolved is by a secret ballot vote. Perhaps the hon. member's sentiments are with the union chiefs, not with the workers. It could be that, like Joe Davidson, he is afraid to allow the workers to vote in a supervised, secret ballot referendum.

This afternoon I was speaking to the radio station of my area and was told that in southern Ontario the following post offices are now open: Alliston, Borden, Aurora, Huntsville, Keswick, Midland, Orillia, Penetang and Bradford. This represents 56 per cent of the workers of the area, but does not include Toronto.

[Mr. Anderson.]

An hon. Member: Don't forget Elmira and Orangeville.

Mr. Darling: Yes. As I say, that does not include that postal monstrosity on Front Street, Toronto.

Mr. Nystrom: I didn't know you had bought real estate.

Mr. Darling: I have not. I talked to the radio station in my riding. There happens to be one in Parry Sound-Muskoka.

It is high time the Postmaster General put aside his fears that he might offend someone if he orders the postal workers back to their jobs. It is time for the Postmaster General to stop worrying about whether or not he will help Davidson and Parrot save face. It is time for the minister to save the postal service; then we can take any other steps necessary to prevent this sort of thing happening every couple of months.

The minister has been saying that the mail may not move again until Easter. Although this may be true if we sit by and do nothing, I think we have given the union chiefs time enough to resolve this matter if they really have it in their mind to settle the strike. It is obvious from all the grandstanding that Davidson and Parrot have been doing that they do not have any intention of acting responsibly. They seem to be basking in the attention they are getting from the media, and when I see them prancing and preening on television I cannot see that they have anything on their minds except themselves.

Some NDP spokesmen have said that the Postmaster General has behaved like a prima donna on television. Certainly he has appeared on TV, but he does not take a back seat to Parrot. I have watched Parrot for some time, and the only time his mouth did not move was for the three or four hours he sat in this gallery with his henchmen listening to the debate. Now I see that he has vanished, like the Arabs.

An hon. Member: Should that not be henchwoman?

An hon. Member: Or hench person?

Mr. Darling: Let's call them hench people.

It is a matter of record that my party has done just as much to further the cause of collective bargaining as those so-called champions of the little people over on my left. It seems ironic to them, I would think, that those solid citizens they are so pleased to call the little people, trimmed the sails of the NDP in the last election.

Mr. Nystrom: Not in the Ontario election.

Mr. Darling: The working people are pretty big people and it begins to look as though the wallop they pack in the polling booth is giving the NDP a sore jaw. The next time the NDP leader refuses to allow a simple motion an Standing Order 43 to pass, to give those people a chance to vote on whether they want to work, perhaps his own supporters should take him behind the woodshed for a little heart to heart talk.

I have always defended the right of workers to bargain and have a direct hand in deciding their wages and working conditions. This extends to the right to strike when their employers will not bargain in good faith, and to any

other reasonable grievance. However, the inside postal workers have been offered a reasonable wage increase. They have also received other concessions from the government. We have come to the point now where we have to decide on just whom we want to run the Post Office, the unions or the Postmaster General. I think the choice is obvious. After all, collective bargaining means just that. It does not mean that the unions demand and the government gives.

If we have reached the point where any union, whichever one it is, will not accept any less than it demands and will withdraw its services until all its demands are met, we have already exhausted the collective bargaining process. It is not bargaining any longer, it is blackmail; and I will not sit still and allow anyone to blackmail me or my constituents.

I think that the time has arrived when we should take a close look at where we are with respect to the matter of collective bargaining and the right to strike, especially in the area of essential services. After all, we have come a long way from the days of the sweat shop, the 14-hour work day, and the rest of the horrors of the early years of the industrial revolution. We have grown up, and in most cases it must be agreed that management and labour have grown up together.

● (2340)

We have labour legislation on the books concerning almost every aspect of the labour market. We have laws governing safety measures on the job and other working conditions, laws governing minimum wages and laws that compel management to deal fairly with labour in disputes. It is time to decide just how much protection we should legislate for the forgotten Canadian, the innocent victims of strikes when essential services are withdrawn by arrogant and thoughtless union bosses who feel that they can get everything they want by denying the public their services.

We have to devise some system of mediation or arbitration whereby workers in essential services are given every right to bargain, but where they are not given the right to strike, or threaten to strike, in order to force a settlement. At the present time, for instance, aside from the fact that Canadians are not able to write or receive letters from friends and loved ones, the entire national economy is being adversely affected by the postal strike, a strike by the way that should not have been called in the first place.

Businesses are suffering through not being able to send bills or receive payments for goods and services supplied. Some businesses have already failed, and others are having a tough time trying to wait out this latest postal strike.

I have not kept score on the work stoppages, slowdowns, strikes, and other interruptions of the postal service in the past ten years, but I have heard other people estimate that these things occur every five or six months. Even if it were only once every year, or every two years, it would be too often. We have stumbled along now for several years with a postal service that is not only slow and in other ways inefficient, but is completely inoperable every few months. I say to this House that we must make a decision, and we must make it soon.

Either we are going to continue to fund a postal service that is so inefficient that it is the laughing stock of the western world, a postal service run by a handful of union bandits instead of by the Postmaster General, or we are going to decide to take a new direction. Our Post Office has gone down about as low as it can go; in fact it is at a standstill. And that seems to be the accepted posture of the Canadian Post Office. Now I believe that it is time for us to start looking up. We have an opportunity to take matters as they stand now and work out a plan as to what we want in the way of a postal service in Canada. If we decide what we want, we can get it.

Since the present strike started I have been forced to send my weekly newspaper reports to my constituency by bus. The cost of doing this is a great deal more than if I had access to the federal postal system, but a package sent from my office on Thursday evening arrives at my constituency office the following day. That is service, the kind of service we could and should get from our Post Office, but it has been many a year since we have had that kind of service from our Post Office.

I am afraid that we are past the point where we can reasonably expect to get first class mail service again, at least not in the foreseeable future. The only way we will ever have an efficient mail service, one that does not shut down every time there is a minor dispute between the unions and the Postmaster General, is for this House to give the minister a mandate to clean house in the Post Office and establish once and for all that the Postmaster General is in charge of the Post Office. Anyone who does not want to accept that simple fact should be told to seek employment elsewhere. Right now the postal employees are turning up their noses at a wage increase that will bring their annual income to above $13,000 per year and, believe me, I challenge each and every one of the people who sneer at that salary to try to find a job anywhere else that will pay that kind of money for doing what they do in the Post Office.

Joe Davidson has a lot of his members believing that he can get them that kind of money for working only 30 hours a week if they will just hold out and refuse to sort mail until the government gives in. I think that the temper of this House is about the same as the temper of the Canadian people at this point. The majority of us are fed up with Davidson's and Parrot's posturing and primping. It is past time for us to serve notice on them that their tactics are not going to work any more, not for another day or for another hour.

They have shown us that they are not interested in anyone else except themselves. Davidson has said on public television "to hell with the public". Only a few days ago he laughed and said that he guessed that he would have to live with that remark. You bet he will have to live with it. I say to Davidson, "to hell with power-hungry, irresponsible and arrogant union leaders." Perhaps "holy Joe" believes that he can bring Canada to its knees and that he can keep sticking the knife in and twisting it until he gets everything he wants. The trouble is that even if he gets everything he demands today, he will be back next

week or next month, until we finally run out of patience, and run the arrogant so and so out of the country.

I think we should take this opportunity tonight to let the Postmaster General know that the vast majority of people favour his stand not to give in to Joe Davidson's blackmail tactics. I would like to be able to say that the Postmaster General has my unqualified support, but to get that he is going to have to do more than just stand pat. The minister accepted the Post Office portfolio, and the portfolio carries with it a responsibility to maintain postal service in Canada.

Standing up to Davidson's bombastic posturing is a good start, but it is only a start. To get the show back on the road the minister must take the necessary steps to see that the rank and file of the CUPW are allowed to vote in a national, secret-ballot referendum, under proper supervision to ensure that the union executive is not able to rig the election. At this point in time I do not have one iota of faith in Mr. Davidson's integrity. I think that it is very important to allow the union members to vote without fear of retaliation from the thugs in the union.

I heard on tonight's radio news that people have been threatened in different parts of the country and have had threats made against their families. That is not the way decent people conduct business. That is the way gangsters and thugs do business, and it appears that that is the way Joe Davidson would prefer to do business.

In conclusion I would like to call on all of my colleagues, on this side of the House and on the government benches, to let the Postmaster General know that we have had enough of the nonsense that has paralyzed the Post Office and that we will support him in any positive steps he chooses to take to restore postal service in Canada. I do not hesitate to remind the minister that there are hundreds of thousands of people looking for jobs in Canada. If the people in the Post Office do not want to work, then fire them and hire people who want to work.

● (2350)

Let us stop playing games and let us keep in mind that the Post Office belongs to the Canadian people and that it is an essential service. To the Postmaster General I say: let us get the show back on the road.

Some hon. Members: Hear, hear!

Mr. Darling: I am sure the hon. gentleman and his many assistants in the department are reading the editorials in the newspapers, hearing from the little people who are urging him, 10 to 1, no, 100 to 1, in these terms: we have had enough of catering to the unions; cater to the people of Canada who thought, at one time, that they had a good postal service. I am sure the Postmaster General would like to see a return to those standards.

Mr. Nystrom: Would the hon. member permit a question? I should like to ask him whether, in his speech, he was expressing the policy of the Progressive Conservative Party?

Some hon. Members: Oh, sit down!

[Mr. Darling.]

Mr. Darling: In answer to the very knowledgeable member of the New Democratic Party, may I say I have been expressing the policy of, probably, 90 per cent of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Darling: I have also been expressing the policy of a great many other people, and it is a policy I have favoured from the very beginning.

Mr. Nystrom: Would the hon. member permit a further question?

The Acting Speaker (Mrs. Morin): Order. This is not a question period. The hon. member for Moncton (Mr. Jones).

Mr. Leonard C. Jones (Moncton): Madam Speaker, my remarks this evening will be very brief. The subject of debate tonight is of great importance to the nation, all sections of which are at the mercy of certain hardened attitudes and certain individuals.

The long term effects of the continued breakdown of collective bargaining will cause substantial damage not only to those directly involved but to the economy generally; indeed, the effect might be to drag the nation to the ground.

I have a great deal of respect for the Postmaster General (Mr. Mackasey) mainly because at one time he happened to live in the constituency of Moncton. But the remarks of the Postmaster General tonight have done nothing but add further fuel to an inferno which is already spreading great damage and causing irreparable harm. Likewise the union representatives have in the past done and said things which should have been left undone and unsaid. Communication via the news media is no way to carry on collective bargaining.

The nation needs a postal service, and the provision of a postal service is a responsibility of government and of parliament. Most nations pride themselves on their postal services. It is time we put our postal service in place. This affects not only business but every home and every individual. The postal strike has gone on long enough now, and we can no longer allow our citizens to suffer because of the personal attitudes of the individuals concerned. There is still a chance for collective bargaining, and if both parties are still concerned about the public interest, then whether through the appointment of a mediator, or by an immediate return to work voluntarily, or by legislation parliament should concentrate, by every means possible, on getting the postal services back into operation.

This is no time to rehash history. We must look to the future, the future of the postal service, the future of our industry and commerce, the future of our people. We must put a stop to the damage and inconvenience which the public is experiencing. We have a responsibility; we must accept it, and take positive steps. We have a job to do, let us get on with that job. There has been a great deal of misunderstanding on the part of both parties. We should attempt to resolve the problem once and for all. If the Postmaster General does not intend to bring in back-to-work legislation immediately, then I would suggest, if he and his colleagues are agreeable, and if the union repre-

sentatives are agreeable, that as an independent member of parliament I would be willing to sit down with both parties, not in Ottawa, but in a faraway, neutral, friendly territory, namely, Moncton, New Brunswick, in a sincere effort to help resolve the postal strike forthwith.

Mr. J. Larry Condon (Middlesex-London-Lambton): Madam Speaker, I appreciate the opportunity to speak on this particular subject which I am very concerned about because it concerns all the people of Canada, not just certain segments of our society. I am always concerned and always quite dumbfounded by some of the statements made by members of the New Democratic Party, supposedly, those strong supporters of labour.

I was going over today, while I was looking over my notes, some of the background of some of these strong supporters of labour. Perhaps I may just go through them. The leader: University of Toronto, London School of Economics.

Mr. Baker (Grenville-Carleton): Socialist hotbeds.

Mr. Condon: The hon. member for Winnipeg North Centre (Mr. Knowles): Brandon College, United College and McMaster University; the hon. member for Greenwood (Mr. Brewin): Radley College, England and Osgoode Hall; The hon. member for Yorkton-Melville (Mr. Nystrom): University of Saskatchewan.

An hon. Member: Hear, hear!

Mr. Condon: Finally, I found one man, half way down the list, who was labour-oriented—the hon. member for Regina-Lake Centre (Mr. Benjamin), a former CPR man and a man well respected. I am sure his background must have been Liberal because in the old days everybody was Liberal in the CPR and the CNR. I continue with my list—the hon. member for New Westminster (Mr. Leggatt): University of British Columbia; the hon. member for Nickel Belt (Mr. Rodriguez), who is a strong fighter for labour: Laurentian University and St. Stanislaus College; The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas): McMaster University and Chicago University.

Mr. Gilbert: This is the best speech of the evening!

Mr. Condon: We find yet another in this motley crew of strong labour advocates—the hon. member for Timiskaming (Mr. Peters): the only one I could find in the list who is proven labour because, of course, he was an organizer for the International Woodworkers Union. I go on to the hon. member for Waterloo-Cambridge (Mr. Saltsman): University of Waterloo, and Wilfrid Laurier. The next one is the hon. member for Winnipeg North (Mr. Orlikow), that staunch labour man: University of Manitoba. The next one we come to is the hon. member for Brant (Mr. Blackburn): the University of Western Ontario.

Then we run into one who maybe has found the secret of labour, the secret of human kindness, the secret of humanity, the hon. member for the Northwest Territories (Mr. Firth) who previously had to do with native relations, who knew the meaning of socialist justice and has proven it. How he fell off into the area of the New Democratic Party I do not understand. We cannot all be right all the time.

Then there is the hon. member for Sault Ste. Marie (Mr. Symes): Lakehead College and Queen's University. Finally, because I do not want to leave out any of these prodigious gentlemen who fight for labour so strongly with their strong labour background, there is the hon. member for Cape Breton-East Richmond (Mr. Hogan): St. Francis Xavier and Boston University. Obviously hon. members of this House and, I hope the people of Canada realize the strong and entrenched element of labour in that party. It makes me feel very strong that people should realize the strong labour background of that strong, labour-oriented group.

● (Midnight)

Is it not wonderful to know how to work in a factory, to get one's fingers dirty? Not too many of the members of that group know that. They are the saviours of labour; that is the only way to go. They tried to save labour in my riding, but thank God we won the people back, some 2,000 in that area. If they follow the example they have shown in the first 18 to 19 months of this parliament, we will win an even bigger margin next time.

The hon. member for Parry Sound-Muskoka (Mr. Darling) said the Postmaster General (Mr. Mackasey) was straddling the fence. I am sure everyone in this beautiful country of Canada realizes that the Postmaster General has never straddled the fence from the beginning of his political life to the present day, so I feel that the hon. member's remarks were not appropriate at this time. This gentleman is fighting for all Canadians in making sure that the fellows in the labour movement who at the present time are causing problems do not give the labour movement a black eye, as they have been trying to do in the last six to seven months. This disgusts me and everyone involved in labour.

These supposed gentlemen from CUPW—I give them the benefit of the word gentlemen, though I see the leader of the NDP shaking his head—I will leave that up to him—these gentlemen are now starting to bring the movement back to the point where my father fought for it in the thirties. People are classing the labour movement as one group, but not all labour leaders are irresponsible. In most cases labour unions are responsible. They have a responsible motive in trying to get a fair wage for hard work. These supposed labour leaders are putting down the drain all of the things my father and grandfather worked for, and I do not like that. They are turning over things for which they worked very hard. You remember the thirties when—

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member but he must address the Chair, not members opposite.

Mr. Condon: I apologize, Madam Speaker. My grandfather, my father, and I have been in the labour movement, and my grandfather would turn over in his grave at what is taking place. It was a fight at the beginning, but through the democratic process they were able to sit down with management and come to an agreement without civil strife. This is not what the gentlemen who are leading CUPW are doing today. They are forcing division in the labour movement and in the country, and they are losing

the opportunity to put the labour movement ahead. I see the hon. member for Oshawa-Whitby (Mr. Broadbent) smiling. I am not sure what his background or his father's is, but my grandfather fought for the labour movement. He was on the railroad, which is why I have such great respect for the hon. member.

I hope every member of the House will go into the lunch room and find out what people in the labour movement are thinking. They have now reached the point where they are losing faith in their leaders. When they lose faith in their leaders they lose their direction. When they lose their direction it could be time for revolt in the labour movement. I do not want to see that, and I do not want any member of this House or anyone in the galleries to be responsible for it. If they are, then they will have to answer to a lot of people who for many years have worked to make the labour movement what it is today.

I appreciate the views of the Postmaster General. All Canada is looking at what the government is going to do now. Is it going to stand firm and strong, or is it going to back off? Certainly I would support the Postmaster General in his efforts, because I think the key to this country over the next 15 years is what we do right now.

[*Translation*]

Mr. René Matte (Champlain): Madam Speaker, I am pleased to join all those who have spoken on the motion before us and depending on one's point of view in the debate, we all seem to be a little right since, the situation being what it is, we must confess that unfortunately once more it proves to be disastrous and shows beyond any doubt that we are not yet mature enough to find appropriate ways of preventing it from happening.

I should like to take some time to deal with that particular angle, so that we can realize once and for all the need to discover normal ways of arriving at settlements agreeable to parties concerned, not only in the Post Office, but also in all sectors of economic activity in the country, thinking precisely that that strike will end one day and we will immediately embark on another one somewhere else.

That is the most deceiving and unjustifiable thing, Madam Speaker. How come indeed, in 1975, we are still obliged to resort to extreme action to solve problems? That is not good enough. We are not living in the Middle Ages. Communications today have developed so much that, as I said, it is unacceptable that an agreement cannot be reached, that it is impossible to talk, discuss and reach a decision. That is not good enough! And moreover, we find that those means which should be used in the last resort are in current use. They are now commonplace, as it were. We live with that. We accept the fact, we admit it and are ready to go on like this.

● (0010)

This is so true, Madam Speaker, that after the first indications that a strike was possible and could last a certain time, already arrangements were being made to cope with this strike and try to deliver the mail just the same, to settle the most urgent problems, such as the delivery of old age pensions, family allowances and unemployment insurance benefits. I found it quite strange that steps were being taken even before the strike. This means that we find quite normal to resort to a contingency plan which should only be considered in an extreme situation.

Madam Speaker, it is very sad indeed to find that we have reached such a point. I would not want to decide who is right and who is wrong, but rather I wonder whether the time has not come to seriously consider ways to settle the major problems that strikes have become. Why not once and for all stop to think and find mechanisms which would make strikes useless? I would not say that the right to strike should be taken away, but I say that we are irresponsible if in 1975 we fail to find a way to prevent strikes.

Of course, as others have stressed before me, very often workers resort to this extreme method, the strike, to win their case, but that does not always reflect the views of the workers as a whole in a given area. I agree with those who advocate a secret vote and not a vote by a show of hands, so that every worker may be allowed to voice his real opinion, namely, whether he wants to resort to strike or not. It is quite obvious that, unfortunately, many union leaders seem to want to justify their role and their job. To acknowledge that fact is not being anti-labour. Unfortunately, such are the facts.

It seems therefore that these union leaders or important labour associates justify their positions. In order to prove to the rank and file that they are necessary, useful and essential, they cause or provoke troubles artificially, for, as indicated by one of the previous speakers, it is something of a paradox that while there are hundreds of thousands of workers who are anxiously seeking employment, others are not satisfied with the jobs they have. Quite a paradox!

I feel it is necessary, however, to take into account the situations as they are, and to find accordingly a solution to the present conflict, but especially, as I stated in my opening remarks, devote some time seriously considering final solutions to all the conflicts which are troubling the Canadian economy, concerning society and demoralizing our people. Let us not deny it: we have reached that stage.

Madam Speaker, the Postmaster General, the government and this Parliament must absolutely decide to put an end to that postal strike and, overmore, to find a way to avoid strikes once and for all. As I suggested through a motion under Standing Order 43, when we have found a way to avoid that strike, it will have become obsolete.

It has often been suggested, and I say it again, that we will finally have to set up labour courts, similar to our courts of justice. Those who would be called upon to judge will, of course, be chosen very objectively. They would have the same authority as ordinary courts. That is the solution towards which we must strive, which we must achieve so that, when there is disagreement between employer and employee, after discussions have been held, if no agreement has been reached then both parties can go before one of those labour tribunals who will pass objective judgment on the worthiness of the claims of the employee and the value of the objections of the employee. The judgment once passed, would then be irrevocable just as that of our courts of justice.

Madam Speaker, these abnormal situations must be done away with; I would even call them childish. I have four little boys, the oldest is 13, the youngest six; they say at

home: If you do not give me this, I shall do that. This is childish.

We are adults and we are discussing simply to get to blackmail: give me this or else I stop working, give us that or we do not distribute mail any more. It is terrible to have to resort to such procedures in 1975. It is childish.

It is absolutely necessary to find a solution to ensure that these things do not happen and this is why I do insist on a basic agreement, a major settlement for all conflicts which are likely to happen; this way, it would not be necessary to discuss repeatedly a settlement in a given area.

I think that this should be taken into account and that we should move towards an immediate review in this field. True, others have talked about it before me. To whom are those strikes most harmful? The first ones to bear the brunt are the strikers themselves.

It is unfortunate that this should be so. They are those who will be the first victims. Evidently the whole society will also suffer the consequences of their action, but I believe that as representatives of the people we cannot let this go on unchecked for long.

Therefore, in my view, the minister and the government are under obligation to settle this conflict immediately with whatever means are at our disposal. But we should also endeavour to find real solutions to those problems so that they never come up to the House again.

● (0020)

[*English*]

Mr. Cecil Smith (Churchill): Madam Speaker, I am certainly surprised that a member of this House, especially the hon. member for Comox-Alberni (Mr. Anderson) who spoke recently could be so narrow minded that he would think everyone in this country could use the telephone and would not need mail service. I am surprised at the intelligence of such a member of this House.

I have a story to tell. I want every member of this House to picture a small, remote, northern settlement which has no television, no newspapers, and depends on airstrips and the mail as its means of communication with the outside world. The story I have to bring to the attention of this House is not fiction. It is an indication of how some people try to cope with government bungling. In November of 1974 a little old lady in a remote area of Manitoba was visited by her doctor who prescribed medication for the treatment of her ailment. The nearest drug store was some 236 air miles away. This lady is a senior citizen. She is dependent on her pension. Her pension is her only means of support.

She had the problem of making arrangements with the drug store some 236 air miles away to send in her medication by mail each month on the same plane that brought in her pension cheque. The arrangements were completed and everything went well until the postal strike of last February. At that time, as we all know, the mail came to a complete stop. This really hurts the people in remote areas because the mail is their only means of communication with the outside world.

This little old lady was not going to be caught without her medication. She scurried around and made arrangements to have her medication brought in on the sched-runs which are part of the class III operations of the air carriers in the north. These are weekly runs into the various communities. Everything was arranged. She was to have a parcel shipped in a little package. It would come in on the sched-run. In this way she would receive her medication. Thankfully the strike was settled without too much delay and she was able to have her pension cheque to pay for the medication.

But this little old lady did not intend to be caught without her medication again, so she continued to receive the medication in the little package on the sched-run. She did not intend to depend on the Post Office to bring this much needed medication to her. This practice worked fine until, lo and behold, the Ministry of Transport in July made a decision. There are five airstrips in northern Manitoba that are served exclusively by air. These communities found that their airstrips were taken out of the class III operations and they were virtually left with an air system by which there would be only charter aircraft coming into their area.

The residents of northern Manitoba wondered just who would make a decision like this to cut off not only their mail but their only means of transportation. They came to the decision that the person responsible was probably some bureaucrat sitting in a comfortable office in Ottawa who had an all-year round airstrip at his service, and who was not thinking of the people in the remote areas.

Now, back to the story. After the bureaucratic ruling was made that these airstrips were not up to the national standard necessary for air carriers to operate a class III service, the operation was suspended except for charter flights. This was the second blow to strike this little old lady, but she was determined to live and cope with the decision of this great government. She made arrangements with the pilot to bring in the medication on the same day the pension cheque arrived. At last she could rest; but not for long, because, lo and behold, by the middle of October another postal strike was under way.

This little old lady was not going to give up. She had ten months of fighting with the government. She tried to outsmart the government. She was bound she would fight with the government to obtain the medication she so desperately needed. The medication had helped her regain strength so she walked down to the local post office which had remained opened. Although the post office was open it was only handling local mail. After she had arrived at the post office she spoke with the local postmaster who really did not have much to do because there was not much mail to handle. The mail was not coming in from the outside to this remote area.

After jawing for a while with the postmaster she asked if he had anything that she might read. Time was very heavy on her hands now. He said "Yes, we have some material here. On the last plane that came in before the strike we received 700 copies of the government's latest shiny new edition of 'How the Tax Dollar is Spent' ".

The citizens of Canada have no one to bargain on their behalf. This lady has no one to bargain on her behalf. She is caught in the middle. She does not belong to a union and therefore has no one to fight for her. She has no communication with the outside world. She depends entirely on the

mail service to bring her news of the outside world and the medication she so desperately needs. I cite only this example. This situation could be duplicated many times if we think of the parts of Canada other than the great corridor running from Montreal to Windsor.

There is another part of the country in which people are suffering because of the mail strike. I say, let us get the mail moving again. Then we should start working on Canada's postal service in an effort to bring it back to the excellent high standard of efficiency it once had. In my estimation at one time Canada had one of the best postal services in the world. I would certainly support the Postmaster General (Mr. Mackasey) in his efforts to get the Post Office back on the right road because it is Canada and the people who live in this country who suffer.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Madam Speaker, before saying a few words about the Post Office I should like to make one or two corrections. An hon. member made a statement to the effect that the minister is not aware that people are suffering. He quoted the minister as having said that. I think this is very improper.

● (0030)

The minister made it very clear that he is well aware of the fact that people are suffering and are suffering a great deal. These people who are suffering are writing to him saying, "I am suffering, but I am behind you", and that is a very different thing from saying that the minister does not know the people are suffering. He is very aware of that.

An hon. Member: How did they send the letters they wrote?

Mr. McRae: I have heard suggestions in the House and outside it that would put collective bargaining back 50 years, with people who have said, "Get those posties back to work and give them 10 per cent, that is all they are worth".

An hon. Member: You have not heard that here.

Mr. McRae: I said not necessarily in here. Then I have heard other suggestions, particularly from the NDP, which would give away the public purse completely. I think that between these areas there is something worthwhile to be said.

The problems of the Post Office today are not something that just happened in the last three or four weeks. They are very long term problems which go back to the early 1960s and the relationship between employees and employers and between the management and some of the local post offices and their employees. Sometimes this situation has been described as open warfare.

The Postmaster General (Mr. Mackasey) is perhaps the one person who is most aware of that. I talked to him many times before he was given this post and I know he understands these problems. We are talking about relations that in many cases are really deplorable. When he came to this job, and I talked to him about it at that time, his ambition was to get a good settlement for the postal employees and give them a feeling that they are somebody, that they are important, and to develop relations in the Post Office which would result in a decent postal service, the kind we had in the early 1960's and before. That was his aim then, and that is his aim today. So what did he do? He sat down with the Treasury Board, he sat down with the Letter Carriers Union of Canada, and he got a good settlement, far more than the Treasury Board wanted to pay.

This settlement with the letter carriers was ratified by 82 per cent of the employees, and they are a satisfied group.

Now we sit down with the other group, the CUPW. This is a group that has perhaps more problems. They do a job that many people do not want to do, it is a repetitive job, there are conflicts inside. The outside workers can get out more and when they finish their day, they can leave their work. These postal employees are good people, good, solid Canadians, the backbone of our country. They are not wild radicals, but they have problems. So what did we do? We talked to them about all kinds of problems. One of them is the fear of automation. They were concerned about automation and about their jobs and their stake in the community. This is an important concern. We talked about those concerns.

I can tell you there are all kinds of other areas in this country where that has not been the way things have gone. We have said that we would protect these peoples' jobs. We talked about casuals. We were not just talking about what to do when an extra employee comes in, but we talked about that letter sorter who knows 1,500 routes and streets and where the letters went. We talked about that skilled man. When we said we would keep casuals down to a minimum we were saying that that particular full time employee is an important person, and we will pay him time and a half before we bring in a casual because he is important, he has valuable skills, and he can produce for us.

These are the kinds of things that have gone into this settlement, the kind of things that this minister and I want to see happen. We want to see a better postal service. We know that if you give these people a better chance, they will produce, because this is what everyone does. I say to you that that is the kind of settlement we wanted. There are limits, and the limit clearly is the amount that was given to the LCUC. This limit was the 38 per cent monetary settlement. For all kinds of reasons this is the limit, and the only reason we can get this through the Anti-Inflation Board is because historically there is a relationship between the letter carriers and the inside workers.

What concerns me tonight is the suggestion I hear from the NDP that we must have more mediation. To me mediation means one thing, it means getting someone who will find a middle ground between the union and the management. In this particular area there is no middle ground, and 38 per cent is the limit.

The second thing I heard from the hon. member for Oshawa-Whitby (Mr. Broadbent) was that he would like to see the postal workers' day cut from 40 to 35 hours. That is a very desirable thing, but when you suggest that you will take a 38 per cent increase and then you compound that by a 12 per cent increase, you end up with about 52 per cent. That is far more than the Treasury will bear, far more than the guidelines will allow, and in general it is not acceptable. These are the suggestions I have heard this evening.

I have heard others say that we should legislate the postal workers back to work. I think that today in this country there is a lot of support for the Postmaster General. He has suggested that in the next 24 hours he will put the content of the Moisan report to the people of this country and to the employees of the Post Office. He is saying that the content of this report has been basically accepted in the collective bargaining. It is the hope of the government, of the minister and of myself, that the employees will look at this, see that it is fair and, with the power they have within their union, will go back to work.

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, it has been suggested that one's life is somehow enriched by every new experience through which one passes, but I have been wondering just how my life has been enriched by the new experience I am having tonight, because never in my life have I endeavoured to preach a sermon or make a speech at half past one in the morning. I prefer a different time in the day for it in ordinary circumstances. But I do rise tonight to add my voice to the call for immediate and decisive action to bring to an end a strike in the postal service that has seriously affected and is seriously affecting the whole country.

It is not my intention to deal with the circumstances leading up to this stoppage in postal services, nor will I attempt to attach blame for the situation in which we presently find ourselves. I think sufficient has been said tonight to indicate that it has been of long duration, it has been stormy, and it has not resulted in satisfactory solutions to the problem. We are still in the position where the country is deprived of what we ordinarily consider to be a service that is vitally important to the nation.

● (0040)

I should like to say that the time has come, and actually is overdue, when the public interest must be taken into account and something tangible done to assist them. No doubt there are legitimate grievances behind the postal workers' decision to strike. No matter what the suggestion of leadership, I cannot imagine a group of responsible people putting the country to the inconvenience and hardship of a strike if there was no ground whatsoever for discontent and unrest.

Listening to the discussions that have taken place and the questions asked in this House and answered by the Postmaster General (Mr. Mackasey), it seems to me that the government has not been sufficiently sensitive to the causes of concern, frustration and desperation that these workers have experienced.

As we consider the national interest tonight I would say the time for decisive action has come to get the postal service functioning again, and to remove inconvenience and hardship from the Canadian people who have not contributed to the situation.

What we are having tonight is perhaps the continuation of a debate carried on over the past several weeks. The question has been asked; is the postal service an essential service? Without getting too deeply involved in that aspect I would say there is a relationship between that issue and the reason why the strike should be settled forthwith. To the people of Canada who have some degree of social mobility and a measure of economic freedom, the Post Office might not be essential. To large corporations which have ways and means to circumvent the Post Office, again the institution may not be essential.

I might say here, however, that there are many Canadians with whom I come in contact who are not getting along fairly well without regular mail delivery. I was amazed to hear some hon. members speaking tonight and playing down the serious effect the strike is having on certain sectors of the economy. Millions of Canadians and thousands of small businesses look upon the mail service as an essential service, and they are facing real difficulty these days.

We have been assured that provision has been made to get social security and other pension cheques into the hands of those who require them, but that may not be as easy as is pictured. There is the prospect of some people not getting their cheques for some time and many of them are dependent on the cheques coming right on the dot. If they do not they will have difficulty surviving for a week or two. I think the postal service is absolutely necessary to those people.

Hundreds of small businesses, in my constituency and all across the country, are experiencing problems in collecting accounts and sending out invoices and so on. I was amazed to hear a member from British Columbia, who is a small businessman, say that he was getting along very well thank you. He played down the difficulties facing small businesses. Perhaps I have been speaking to smaller businessmen than he, but they say they are facing real problems. We had better not play it down. These sectors of our economy view a dependable mail service as an essential service. Most of them are not big enough to hire their own courier service, or get around the Post Office by some other means.

Numbers of non-profit organizations in this country provide humanitarian services for thousands of people and they depend on regular donations to keep functioning. They face difficulty now, however, and as a result many people are going to suffer because these humanitarian enterprises cannot carry on. That aspect of the situation should be considered.

Another aspect that warrants consideration is the undemocratic nature and dictatorial attitude of some of the union leaders in the strike. Right from the beginning the union leaders have been unwilling to submit the government's proposal to the membership for a vote. The reason is that they know the members do not want a continuation of the strike and would probably ratify the government's offer if it were submitted to a vote.

I understand that violence has been precipitated by union people at various areas across the country. In Ottawa last week an inside postal worker went on radio station CKOY to plead for support for a return to work and to clarify the government contract to his co-workers. I am told his life was threatened by the union on the open line show.

In my riding individuals who returned to work were harassed and theatened by a group who came from Vancouver. They were presumably sent on union orders to intimidate those who had returned to work. This type of

conduct, if advocated by the union, amounts to an anti-democratic and dictatorial attitude. As members of the House of Commons and on behalf of the citizens of the country, we should reject outright this type of activity.

I have a telegram here and I did call the officials concerned to ask if I could read it into the record. They told me to go ahead, but still I hesitate to do so. I would not like to think that reading it into the record would bring harassment, threats, and intimidation upon them. The gist of the message is lack of responsible leadership on both sides. A request has been made for the government to legislate the union membership back to work. There is some indication of a wish to have the outstanding issues submitted to binding arbitration. That is the message coming to us from a local postal union and it indicates the attitude of many postal workers.

● (0050)

The Postmaster General should be commended for saying in the House that workers suspended by the union can still work in the Post Office. The statement will help to alleviate the fears of some postal workers. A union official indicated to me that workers have been threatened with the withdrawal of union cards, with the take-over by head office of their union, and with loss of jobs, pensions, and other benefits accruing to them from years of service in the Post Office.

I support something definite being done to bring this matter to a satisfactory conclusion, because the sorts of threats to which I referred cannot be reconciled with the union's professed concern for the welfare of Post Office employees for that attitude, if it exists, is more reprehensible than injustice from which workers may have suffered.

The Postmaster General is not without blame, as his comments have generated resentment instead of good will. He has failed to act decisively in resolving the longest postal strike in our history.

All this points to one thing, the necessity for negotiating and concluding negotiations before the expiry of the contracts. Why should the parties wait until a contract has expired and then go through the motions of negotiation, conciliation, or whatever may take place? I think these matters ought to be considered before the present contract expires; and the process can be carried on by negotiation and mutual agreement between the two groups concerned. Perhaps it ought to be brought to final arbitration and a settlement imposed in the interest of the national economy.

I appreciate the opportunity for placing my views on record at this early hour of the morning and trust that action will be taken to resolve the strike, return the workers to their jobs, and reinstate our postal service.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, let me say with all the strength of my feelings that I am proud to associate myself with the Postmaster General's actions thus far. Probably I shall be proud of his actions in future. We are dealing with an existing situation, not with a situation which may exist in the future. For that reason we must be careful to consider the best way of dealing with this matter in the present in order that we do not adversely affect events in the future.

His past actions show the Postmaster General (Mr. Mackasey) to be a most human and interested person. He has been worried about what might happen to workers with the advent of automation. His concern was apparent when the huge plant at Mississauga was erected. He wondered if the workers' social adjustment had been taken into consideration, if their physical amenities like showers and recreational facilities were adequate, and if there was opportunity for them to socialize after work. In my presence, and on television, the Postmaster General has indicated his concern for Post Office workers, and I am confident that he, being a most human, warm Canadian, will do all he can for them.

I cannot forget what a great part the postman played in my growing up. The pension cheque was important in my household, my father being a totally disabled veteran. I remember the old postman sometimes coming to my mother and telling her not to worry, that he would speak to the sorters and bring the cheque as quickly as possible. Today, when so many people live in apartment buildings, postmen put the mail in mail boxes without ever talking to the people they serve. Yet the letter carrier can still show strong interest in those he serves. I think the Postmaster General understands all this.

Let me tell hon. members a story about the Postmaster General which he probably does not know I know. But, after all, little happens in Verdun that is not known fairly soon in places far away. Recently I was speaking at the anniversary of the church in the riding, and I learned that the Postmaster General was speaking that same evening in that city. All this took place before the present strike.

At that time we were witnessing a slowdown of the mails, and I understand that the Postmaster General was on the way home from his speaking engagement at about the present time of day, in the early hours of the morning. He turned to his driver and asked if anything of interest had happened in the constituency. He was told that a family in the constituency was expecting an important registered letter from Toronto; the family was anxiously awaiting it but it had not been delivered.

Apparently the Toronto office had clearly indicated that the letter had arrived at the old post office on Church Avenue, Verdun, but had not been sorted. The Postmaster General said, "Well, I guess we had better go down there." His driver said, "Is it not a little late? Should we not go home?" The Postmaster General said, "No" and went down to the post office.

You can just imagine the Postmaster General walking in the door of the post office in his tuxedo, and the surprise of the people behind the wicket. The Postmaster General asked about the letter, but was told that there had been so much mail that the letter probably had not been sorted. So the Postmaster General took off his evening jacket and said, "Let's look in that pile; perhaps we shall find it."

In the meantime the telephone rang. Apparently the manager in charge of the post office, realizing the urgency for the person concerned, had looked for the letter and delivered it by hand. So the Postmaster General put on his

coat, looked up and said. "If you ever need any help, give me a call and I will be glad to help you any time."

That shows you how human the Postmaster General is in his relations with the workers. He does not order, does not demand, but sets an example. He shows how the people should be served.

That is the kind of person I know the Postmaster General to be. I am not ashamed to speak this way, because when I was a young man at university and he was an alderman, he hired me to work for him. So I have had some strong experience of the man and that is why I have so much confidence in him.

An hon. Member: Yes, and I have a tear in my eye.

Mr. MacFarlane: I am not interested in the hon. member's tears. I am interested in his listening, and in his saying something important, if he has anything important to say.

● (0100)

I have become convinced in the debate tonight. I have heard almost everyone stand up and say in a very sincere way what they think should be done. I did not get the impression that anyone stood up just for the sake of speaking. In my way I have spoken strongly to indicate that there are some people who have a close relationship with the Postmaster General and believe in him. That is my purpose in saying what I have said. Other members have stated ways in which they think the situation should be solved.

The major opposition has said, "Legislate them back to work to solve the situation." The NDP in its way has said, "Start bargaining all over again." The government, through the Postmaster General has said in very clear terms that we are on the beaches. That is what this is all about. This is what this war on avarice is all about.

We are on the beaches. We are speaking tonight as Canadians. Postmen, opposition, members of parliament, small businessmen, whatever your lot or your background may be, we are on the beaches. We do not feel embarrassed at standing there very firmly and saying we take the stand that the time for patriotism has come.

This is indeed a war of avarice. It must start at some point. We are fortunate that in our front echelon we have a Postmaster General who has taken that stand. That is the stand he has taken. If you listened to his speech you will note that he not so much wanted to tell you about the past but to do something now and, in doing something now, we might save the future.

An hon. Member: Say something, Gus.

Mr. MacFarlane: I have made no remarks about your university education. I think it would be worthwhile thinking of that factor and not continually saying what might or should be done. I saw many of us standing together in the fight against inflation tonight as we have done since I came to this parliament. I say we should enjoin the Postmaster General, accept his stand on the beach and accept his call which is, "Join me in the fight." In this case let us stand and say to all of those who would utilize any method of power, "Slow down the situation which has become so serious in this country." I still have to conclude that because I am not getting through to the backbenchers.

Some hon. Members: Hear, hear!

An hon. Member: Just get off the beach.

Mr. MacFarlane: Actually the beach was a very important place to be when there was only one beach left and only one island. We should not forget it. It was indeed a very important beach. If a certain man had not said we face the most terrifying of times, if he had not believed that he should stand all alone and wait to give time to those who had poor eyesight to get half ready—

Mr. Baker (Grenville-Carleton): There is not a dry eye in the House.

Mr. MacFarlane: —unless you are willing to accept that, we are not going to attack the situation properly. If members opposite think that this is just a parliamentary discussion on whether or not we should legislate on a strike, we should not be speaking at this time of night. We are speaking on a very serious principle, whether the government at this moment is doing what it thinks is best for the good of this country and attempting to succeed in doing that without being delayed by many forces. The forces that will come after the Post Office will be many more. We are only facing one such night of debate.

I hope we will be standing here some night when I am hoarse, bedraggled, and worn, still saying one more chance. The Postmaster General is saying give those workers another chance to speak to their leaders. Let us give those leaders another chance to believe.

An hon. Member: What leaders?

Mr. MacFarlane: They are union leaders like I presume myself to be a leader in my constituency. They too are important. This the minister doesn't forget. That is the important aspect of what he is doing, with no concern for himself, his health or his person, but with a great deal of concern for people. I ask members very strongly to support him in this matter. I hope that a great deal of strength will come, not only from this side but the opposite side of the floor.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I want to congratulate my colleague and friend, the hon. member for Vancouver Quadra (Mr. Clarke), for moving the motion that is permitting us to have this special debate on the postal crisis this evening. Because it is already one o'clock in the morning I will try to be as brief as possible. This is an extremely serious matter that we are discussing, and Canadians have been wondering why parliament has not been more active before now in dealing with the strike.

The government has indicated that nothing concrete will happen at the conclusion of our debate. Tomorrow the strike will still be continuing and the millions of Canadians who need adequate postal services will continue to be denied them. What the debate will do is to allow us to put on record the fact that our constituents are demanding an

end to this strike and that the time has come for the government to act.

My colleagues and I in the Progressive Conservative party for several weeks resisted pressures upon us to call for a legislated end to the strike because we believed that the collective bargaining process should be given every opportunity to work without parliament's intervention. It must be clear by now, however, that the strike will not end without parliament's intervention, and the time for us to take action is now.

Every day that the strike continues brings more suffering for those least able to cope with its effects. For hundreds of thousands of retired Canadians this means that dividend cheques needed to pay for their rent or food are prevented from arriving, and that many of them with families abroad or long distances away have lost contact with their relatives.

For Canada's small businessmen the strike has cost millions of dollars already and the bill continues to mount each day the strike drags on. Before long many small businesses will be forced to close their doors because they simply cannot continue to carry unpaid bills for many more weeks. The cost will be high in terms of lost jobs and a declining rate of recovery from the present recession.

For the postal workers the strike has already cost each of them a considerable amount of money. One of the previous speakers used the figure of $1,000. For every Canadian, the added cost and inconvenience caused by this continuing strike will be great, and I believe that the protection of the public interest demands that the workers be sent back to work.

During the time I have been in Ottawa I have had a number of occasions when I spoke to protest the enormous inefficiency of the Post Office and the constantly increasing cost of this government department that is providing steadily declining levels of service. I have received hundreds of complaints from constituents about lost or delayed mail, or about the staggering waste of money spent to improve the public image of the Post Office. What is remarkable, however, is that virtually none of the complaints I have received has involved discourtesy or sloppiness on the part of the workers in our area. My experience is that our local workers have done more to enhance the reputation of the Post Office than any number of striped mail boxes or slick advertising campaigns.

● (0110)

What is disturbing is that morale among these workers has been declining along with the deterioration in the general level of service provided by the Post Office, because no amount of work on their part can make up for the breakdowns which occur in the postal system in our large cities. It is there that the greatest problem exists. My constituents feel the time has come for a complete re-evaluation of the Post Office and its activities. They are fed up with their mail being delayed for weeks on end. They are sick of receiving envelopes and parcels which have been torn open in transit and separated from their contents. And they feel there are better ways to spend the millions of dollars of taxpayers' money earmarked for advertising by the Post Office.

[Mr. Beatty.]

What the small businessmen in my area find particularly galling is that a government which is constantly picking their pockets, or showering them with miles of forms to fill out, or invading their businesses to scrutinize their books, or devising one new regulation after another, should prove so totally incapable of running its own operations. The simple fact is that if any businessman ran his operation the way the Post Office is being run, the government would have put him out of business long ago.

It should not be necessary to point out that the Post Office is an essential service in Canada. There is simply no other way of delivering the volume of parcels and messages that should be delivered by the Post Office if it were functioning. The reason for this is that the Post Office is the largest monopoly in the country and that, unlike the private monopolies and cartels which the government is quick to condemn, it is a coercive monopoly, one which enjoys the power of the law to protect its position. It is ironic in these circumstances that the former postmaster general has progressed from leading the country's largest monopoly to becoming Minister of Consumer and Corporate Affairs (Mr. Ouellet), a responsibility he discharges by travelling the countryside denouncing cartels and monopolies and threatening to jail businessmen.

The government cannot have it both ways. It cannot continue to maintain its monopoly position and then allow the essential services it is running to be shut down for long periods. Already this strike has been the longest in our postal history and no end to it is yet in sight. If the government is serious about ensuring that Canadians receive the service they deserve it will have to take a serious look at the alternatives available for the future. I say this because the average person will not stand for continued breakdown of the Post Office. Either the government will have to encourage private competition with the Post Office, or else it will be obliged to find new ways of settling labour-management disputes as well as dramatically upgrading the efficiency of the department.

Just this afternoon I was talking on the telephone with a small businessman in my constituency. He told me he wished he could find some method of getting his mail delivered that he could afford, because the delivery services presently operating are too expensive for small businesses to use. He was just one of thousands of cases where small businesses are being paralyzed by the postal strike.

I have spoken strongly in this House in support of civil rights which are being threatened. My stand on human rights is on record and I will continue to speak out in the future when I feel they are being infringed upon. But I have never believed that to deny the vast majority of people their right to essential services constitutes the human right of anyone, nor have I felt that a situation in which one party to an issue—in this case the government—could be Crown attorney, judge and jury, is one which can best lead to the solutions of our problems. When the welfare of our citizens can be held to ransom by a small group in an essential service there is no right to strike or lock out—there can only be the privilege to strike or lock workers out. It is time for that privilege to be withdrawn in the present situation, and for a fair and rational substitute to be put in place.

Over the last several months I have talked to a number of postal workers in my area. They are dedicated and hard-working; they did not want to strike. What they wanted was the opportunity to settle their differences with the government in a fair way without leaving their jobs. They were vexed by the fact that no negotiations for a new contract had taken place before their old contract ran out, and they were disturbed by the escalating war of words between the Postmaster General and the union leadership. They felt they deserved an increase in their salaries, those salaries having been eaten away by inflation and no longer being in line with those of people in similar jobs. I believe they were justified in seeking an increase.

They were also concerned about deteriorating working conditions in the Post Office and the sagging morale of the workers. Once again they were right in their worries, and they were correct too in deploring the use of television cameras in new facilities to monitor workers as though they were presumed to be thieves even before anything was missing.

What they were looking for was a way to solve their differences with management without having to engage in a strike which would gain them little and would serve only to enrage an increasingly hostile public. They knew that if they went on strike the government would be able to legislate them back to work on its own terms, but they could see little alternative to doing so. Already many of the people in my area have gone back to work. The Elmira post office, for example, re-opened on November 7, and the Orangeville workers have also returned to the job. I believe the workers would like to go back throughout most of Ontario and I think the union leadership is aware of this fact. Surely this is the reason they are doing whatever they can to prevent their membership having the opportunity to vote on the government's latest offer.

With the irresponsible and arrogant attitude of the present union leadership it is clear the postal workers will likely continue to be denied their right to vote. That is why I was disappointed that the leader of the NDP today prevented the House from accepting a motion which could have resulted in the rank and file of the union having the opportunity to decide what course of action would be followed now.

I listened to the hon. member's rationalisation on the radio this evening and I was disappointed that he should have sought to justify his opposition to the motion on the grounds that he saw it as a means of undermining the union leadership. He knows very well that such a vote could only bolster their position if they enjoyed anything like the support they claim to have. A vote on the contract could damage them only if they had been inflating the support they claimed from within the membership. I suspect that the leader of the NDP is aware of that fact, which is why he raised his voice in objection. In doing so he did a disservice both to the union membership and the Canadian public.

The government has the power to end this strike and it should do so before more time is lost. However, hon. gentlemen opposite must also demonstrate that they are aware of the more fundamental issues underlying the strike. They must recognize that negotiations for a new contract should begin long before the old contract expires. And they must recognize that the privilege of striking and locking out in essential services must, if the public interest is to be protected, be replaced by binding arbitration which would be fair to both workers and management and, most important of all, be fair to the Canadian public.

The government must show itself willing to deal with its workers on the basis of mutual trust. The closed circout television cameras now being used to spy on the workers should be removed from work areas. What is even more important, the government must show moral leadership both in the fight against inflation and in the restoration of a belief in the importance and dignity of work.

The government has created a social climate in which work thrift, and restraint are looked upon as a sucker's game. It has asked the working people to show restraint at the same time as it raids their earnings to pay for wasteful projects such as the senseless advertising campaign for the Post Office, costing more than $400,000, which included that meaningless advertisement showing a rural doctor mailing blood samples to the city. When I saw this advertisement I was shocked by this waste of money and I put a question on the order paper about it asking how much it had cost. The Postmaster General replied that it had cost $435,000. It included the suggestion that the Post Office feels "our mail is vital".

I asked the Postmaster General how many complaints of lost or damaged mail had been received by the Post Office in 1974 and his answer was that about 125,000 complaints had been received. I asked a further question—whether the Minister of Consumer and Corporate Affairs (Mr. Ouellet) was looking into the possibility of suing the Post Office for fraud, since it had claimed that the safe handling and delivery of Canadian mail was vital. The answer to that question was, no. It seems that fraud in government is quite different from fraud in the private sector; government would have acted more quickly there.

The Postmaster General should take a close look at the $2 million spent by the so-called public affairs group in the Post Office who are in fact nothing more than overpaid P.R. men for the Post Office.

If the government is to restore the work ethic in Canada it must also start to look at the unemployment insurance system which all too often subsidizes clever frauds at the expense of the working man, at the very same time as people who need help because they are sick or injured are refused it by the government. It should be remembered that, when we look at the malaise in the Post Office today, it was in the unemployment insurance program that the minister worked his last magic before turning his attention to the Post Office.

This strike must be ended now, and work must begin on overhauling the Post Office to turn it into a modern and efficient means of communication between Canadians and a rewarding place to work for the thousands of people it employs. Canadians are disturbed—as indeed they should be—by the fact that while the Post Office deficit has more than tripled in the past three years the quality of service has deteriorated badly. They have a right to demand leadership from the government, and if our efforts here tonight result in the re-appraisal of government policy toward the Post Office we will have achieved a great victory for the people of this country.

Postal Strike

● (0120)

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, much has been said here tonight. Words have poured undaunted from the mouths of many of my learned and very dignified colleagues.

Mr. Alexander: Hear, hear!

Mr. Douglas (Bruce-Grey): But what do all these words mean? How many of the words spoken here tonight will be remembered when the lights are finally dimmed in these spacious surroundings? Will they all go for naught? Will these words, as so many times in the past, fall on deaf ears? I know they fall on deaf ears here. We look around from time to time and wonder who is listening.

Mr. Peters: We are listening.

Mr. Douglas (Bruce-Grey): I hope members on this side listen to what is said from the other side, and I hope that from time to time members over there stop hollering for long enough to listen to what is said on this side.

Mr. MacDonald (Egmont): Get the whip to get your boys out.

Mr. Douglas (Bruce-Grey): If there are so many of you who want to speak, there is no time limit on the debate and it can be allowed to go on until two o'clock tomorrow afternoon, in which case I am sure all will have their turn.

It is so easy for us here tonight to do what we are doing now, to wage political war on each other. What do we accomplish by this? Yet the words spoken in these political battles will be forgotten as surely as many of the words said here tonight will be forgotten within 24 hours.

An hon. Member: You are turning it into a political arena.

Mr. Douglas (Bruce-Grey): If you want to do that we can start right now. I do not have to repeat the message that has been repeated time and time and time again, both tonight and during the course of various stages of debate in the House of Commons. It is the voice of Canadians crying from one corner of the land to the other for reason. It is a voice crying for reason whether in this House, whether in the Post Office in the isolated outposts of the far north, in the far flung farms of the prairies, the fishing villages on both coasts, or the mighty metropolis up into the heart of Canada. What we are hearing throughout this debate is the cry to stop for a minute, listen, and look at the future.

There was a message on television tonight saying that the Canadian Labour Congress will start their $500,000 campaign to combat the government's anti-inflation measures tomorrow. I understand there will be buttons and ad compaigns, and the question we will be asked, which is one that the political leaders and the postal workers should take to heart, is: why me? That is the question that I think the letter carriers and every member of the postal workers' union is asking right now—why me? The answer is a very simple one.

Mr. Alexander: They should ask that question in Toronto.

[Mr. Beatty.]

Mr. Douglas (Bruce-Grey): The hon. member for Hamilton West (Mr. Alexander) mentions Toronto.

Mr. Alexander: I am telling you what the facts are.

Mr. Douglas (Bruce-Grey): It is nice to hear the facts from so learned and well educated a gentleman. I am sorry I do not have those qualifications. The answer to all of this has been fully revealed in our debate tonight. Each and every one of us is a Canadian concerned about the future of our country. If the postal workers ask why they should accept the package put forward at this time by the Postmaster General (Mr. Mackasey), my answer to them and to the CLC, when they ask why me, is: because they are Canadians and their future depends on it. The future of this country depends on it.

Mr. Horner: Which side are you on?

Mr. Douglas (Bruce-Grey): You will never know. We are all concerned about the small businessman. Were the postal union members, in rejecting this contract, showing any concern for the rural mail carriers? I have not heard any member speak of them tonight, yet almost all of them depend upon the delivery of the mail to their areas. They are ready to go to work, and many of them are still at work. The previous speaker mentioned that a couple of postal stations are now open, and I commend them for that. Listowel has also been added to the list recently, and there are many others in western Ontario. Those of us who represent that part of the country can be proud of the fact that the people there take pride in their citizenship and in the fact that they want to work for a fair wage under reasonable conditions. But they do not ask the impossible.

Mail delivery in this country is something we could have been proud of over the years. Many members remember the importance of mail during the war years. Delivery of mail is important now particularly to small businesses in rural areas that not only do not have mail service but transportation to get mail delivered.

To the leaders of the postal workers I offer this old adage: By your actions you will be known. Let us look at some of the actions of the Canadian Union of Postal Workers. They want to be known as responsible citizens of this country. Is it responsible to hold 28 illegal stoppages of work in 30 months? What is responsible about that? What have they achieved by going out illegally 28 times in 30 months?

I think the one message we must take from the debate tonight is that there has been a response to the question: why me? Why should the union accept the contract? The answer is: because it is a good contract. It is a contract equal to one accepted by the letter carriers, one that in many respects is above the inflation guidelines.

Why cannot the government offer more? Simply because, as has been stated many times, we cannot afford to offer more. Many times people from my constituency—I am sure it is the same in other constituencies—have asked me when are we going to say no. Now is the time to say no, and there are many more times in the future when we will also have to say no. We must show determination and deliberateness by our actions tonight, and back up the Postmaster General in saying no. We must show him that

members of parties on both sides of the House are determined to back him up and continue to do so in the future. The answer for tonight, the answer for tomorrow, and the answer for the future, when someone asks "Why me?" is: because they are Canadians and it is their future we are talking about.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I have been listening with interest to the debate and I would like to add a few remarks.

The hon. member who spoke before me indicated, as other members before him and the Postmaster General himself, that the current offers are final. If the government decided they could do no more, we now ask for a decision to call those people back to work. For two or three years the situation had been deteriorating. Tonight's debate is concerned with postal workers. Not so long ago there was another postal strike. In other areas, proposals came quite short of meeting the Canadian people's needs and remedy both problems and inequities.

The minister explained he could not solve the problem because of exaggeration on the part of the union. But on the other hand, the postal service has been paralyzed for five or six weeks. We recognize this is an essential service. How long are we going to ponder the issue of essential services and the public interest? Such in my view is the question every member should ask himself. I realize the minister made every effort to reach a settlement.

● (0130)

We recognize the public is faced with serious difficulties because of the postal stoppage. This afternoon again we received representations, as so many others did. In my village, the manager of a very important business firm in the area indicated he was establishing a collection service for the twelve hundred accounts to be collected during the month. There are a large number of such firms across the country.

Last week I was concerned that the Minister of Supply and Services (Mr. Goyer) announced the introduction of an emergency service to move correspondence and also family allowance and old age security cheques, and I wondered whether the government was preparing to maintain the *status quo* for a long time, and that service will apparently cost at least $700,000 a month. Up to what point will that service enable the government to maintain the *status quo*?

However, we believe that considering all the efforts the minister made and the objections of the union, the government should take responsible action. We were asked in the evening what the opposition wanted. We want the government to take responsible action, to meet the needs of the public, and we sincerely believe that dispute could drag on for quite a long while. Some hon. members suggested mediation, we suggested a free vote of all the workers interested considering the present government offers. If all that fails, we shall then be willing to consider special legislation to bring workers back to work with a mind to public interest.

Postal Strike

Mr. Speaker, I will with your permission quote some editorials and especially the one by Claude Ryan who recently declared:

However, that is not the fundamental question the Canadian people put to the Postmaster General today . . . The only question that should interest them is in fact this one: How long can the country be sensibly left to live without a postal service in the name of public interest?

That is the question we are trying to deal with tonight.

As long as a strike is liable to produce better results than bargaining, and as the public weal can put up with it more or less, a government may be justified in allowing a work stoppage affecting a great public service to go on. But neither condition is present in this dispute.

First, according to the government itself, there is no chance postal workers will get higher salary offers than those about which they have already been told. For over a month, the government has stood firmly by the recommendations of the Moisan report. Since they already go beyond the guidelines of the anti-inflation program, any further increase would be an unthinkable blow at this time to the credibility of the government.

Second, there is also the incalculable damage that the strike causes to thousands of individuals and businesses. Many undertakings, either by the very nature of their business or because of their abundant financial resources, can quickly learn to do without the Post Office. However, this is not true for hundreds of others for whom the Post Office is an absolutely essential service. A newspaper like *Le Devoir* used to have nearly 20,000 mail subscribers; the famous reform launched under Mr. Kierans was to make it lose several thousands. But those it still has face for the second time in less than a year a deprivation of service directly attributable to the paralysis of the Post Office. Now what about the incomes of hundreds of businesses? In a large number of businesses called upon to transact with hundreds and thousands of individual clients, the near totality of accounts receivable are usually collected through the mail. For a newspaper, this is true particularly for subscription renewals. Is Mr. Mackasey unaware that for the past three weeks cash receipts have been reduced to their simplest expression while salaries and suppliers still have to be paid?

If postal workers cannot expect anything more from an indefinite prolongation of their work stoppage and the damage done to the public good by their strike continues to increase, there remains only one solution to the dispute: the government must reaffirm without delay the priority of the general good over the exercise by a particular group of a right whose effectiveness in this case has now been reduced to nothing.

Mr. Vincent Prince stated in turn:

It must not be forgotten that certain normative clauses have considerable financial implications and that this expedient should not be used to win gains that would go against Ottawa's new salary policy.

Indeed, this bargaining is the first significant test of the austerity measures. We can take it for granted that the federal government will be specially watchful.

Moreover, an extended strike would not affect the public and postal workers alone. The mailmen and drivers of postal vans laid off, because they were temporarily useless, will apparently have to be satisfied with unemployment insurance. They will become part of the majority taken as hostage.

● (0140)

I would like to quote some comments that I find much to the point. In today's *La Presse*, Mr. Guay states:

The Trudeau government has set a ceiling on price and income increases. If it is consistent with itself, it need not tergiversate about granting wage increases to postal workers as to all other government employees. In the interest of business, taxpayers and the majority of postal workers, the government has the responsibility to order the strikers back to work. In fact, it is unworthy of a government to allow a strike to last this long to break a union. Moreover, it is an absurd mistake that reflects a superficial analysis of social realities. Unions are not broken today as they were fifty years ago. On the other hand, government must set the example to play fair and to display dignity. It must not lower itself to the level of some union leaders' demagogic maneuvers. Even though the postal workers' union leaders are apt to

use the government's order to return to work to save and even consolidate their prestige with their members, the government must not be distracted by such mean considerations.

Those are comments I consider appropriate, Mr. Speaker. I find them relevant, because we have reason to wonder if it is not that fight that drags on between the recognized union and the government. Which one could lose face? I wonder how far should be put away the responsibility or the theory of the face loser, considering the importance of the conflict.

I must congratulate the mover to have proposed the debate to the House, considering the problems involved. We ask the government to bring back order to the postal service. We are not accusing the minister of not having tried, but we think that the time has come for those workers to go back to work. For a very long time, we have been asking ourselves very serious questions in the public sector. We must surely think about the matter of essential services. As for essential services, Mr. Speaker, I have very personal opinions on that subject.

In the eventuality of a refusal on the part of the unions, I feel a special act should be passed to stabilize and restore an economy which is now seriously ill in Canada. How long will the government hesitate to meet that need, and answer the representations we have made this evening?

The government assumed the responsibility of giving a leadership that will encourage Canadians. We spoke of the pessimism of Canadians a while ago. We said that Canadians were concerned about the future of this country, that it was completely normal to worry about the future of our country, if we look at what has been going on for the last four or five years and consider the hesitations of the government to commit itself with regard to various measures. We are up against the problem of inflation and we are still waiting for steps to remedy the situation.

Moreover, we are hit by those strikes that harm our economy and take place in the public sector. Parliament gave the unions the right to strike. The government side always accuses us of being against the right to strike, but every time there has been a strike in the public sector, that paralyzed our economy, which harmed and hampered our society, a special act has always been introduced. If that is not denying the union members the right to strike, I wonder what is.

Let us be honest, let us not be hypocrites. I feel the time has come to reflect seriously on the right to strike. Will we have to reconsider privilege granted the union members, to the extent where they abuse it? I am asking this question both to my colleagues and hon. members opposite: Have we seriously considered what services are really essential? Mr. Speaker, we would need to establish new ways and demonstrate creativity to offer union members a fair treatment. Someone has mentioned a labour court. I am thinking about offices with a permanent bargaining court. I feel that we should think of necessity about the establishment of new procedures, because those we have now lead us too often into dilemmas such as the one we are in today.

If, on the one hand, unions show a lack of good will and refuse to co-operate in the interest of Canada, every government, including this Parliament, not only has the right but the duty to react by offering an alternate solution, so that we are now asking ourselves serious questions. I, for one, am asking it, together with many in my constituency with whom I have talked about this issue. People often ask: What is the government doing? What is the government doing to do? We are sick of these problems.

Is it necessary to remind the government of their responsibilities? Is it necessary to remind the government that we will support any measure which could reduce the difficulties faced by Canadians now? Is it necessary to be sure that the government did more than their best to find solutions? But given the ill will of some individuals, of some spokesmen for groups who definitely do not represent the interest of the community, I think the time has come to take decisions, and this evening or more precisely, this morning, we ask the government to react quickly to this matter which annoys so many Canadians. And we think that the government should react immediately by proposing mediation or by passing special legislation if the mediator's report were unacceptable to the union members, while hoping that the government would accept the report of a mediator who, in the short term, could find the solution. This would enable both parties to end the conflict and save faces. Mr. Speaker, I shall be brief because other colleagues have some remarks to make, but I hope that the problem will be settled and that we will think more in terms of the future. Taking into account the experiences we have been through, we must consider seriously these new mechanisms, and I feel it is up to the government to study carefully this matter and find solutions. And inasmuch as those solutions will respect individuals and meet the needs of a society we would like to see better, I am sure the government will listen attentively. That is, Mr. Speaker, what we want most.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, never before have I heard so many members speak on a subject about which they do not know anything. Regretfully I say I join that class.

While you and I, Mr. Speaker, have had some experience with labour, I think we would be very presumptuous if we decided we could look at a situation affecting a union with which we have never been directly involved, and about which we know very little, and say we have a solution which would be satisfactory to anyone.

I am surprised at the attitude of the Progressive Conservative party which seems to be: let us pass legislation and put them back to work and that will solve the problem. That would not solve the problem. Part of the problem is that the workers have never had sufficient guts to go on strike or in any way involve themselves in a collective agreement until the past few years. These people, in many segments of our economy, are not accustomed to negotiating contracts and co-operating with each other. They have never been very much involved with the idea of unionism which, to some extent, is represented by the phrase you are your brother's keeper and only through solidarity can you help to achieve what you wish.

Frankly I have been surprised by the attitude of so many members who believe they can legislate a settlement to this problem which would produce a reasonable mail service in this country. I do not think this can happen. I have listened to many of the remarks that have been made.

I was very impressed by the young hopeful of the Ontario Liberal party, the federal member who claims he intends to seek the leadership. I owe him a vote of thanks because I never really looked at my own colleagues in terms of their being different, but they certainly are. The number of degrees that my colleagues have, surprised me. I suppose that from now on I will have to pay them more respect because of their great educational achievements. But I was surprised that he did not know several things.

● (0150)

For instance, the hon. member for Winnipeg North Centre (Mr. Knowles) was a member of a union for 50 years or so, and he had been active in that union. He participated in it, and is still paying his dues today. I would think that when he pays those dues he must give some consideration to that union. Another one of my colleagues has been active in union work for a number of years and has been connected with a number of unions in the clothing industry. I think he probably has a little experience in it by now. But because we have had some experience does not mean we really know how to solve this very vexing problem.

I have great respect for the Postmaster General (Mr. Mackasey) but it has surprised me that he has taken it on himself to solve a problem that has been developing in the Post Office over the last 30 or 40 years, and is trying to solve that problem all at once. I am not only referring to money—I will mention that in a few moments. The Postmaster General has tried to solve these problems in a very forceful way, and he has acted as a true employer in some ways when he said that that is as far as he will go. He has issued that ultimatum on television a number of times. He has forced the workers to look at the situation, and I think this was a good idea.

He has been sympathetic with regard to some of the aspects of the situation which have been mentioned but that are worth mentioning again. One of them is the changes in the Post Office. One of the young members today mentioned the skills of the postal people. In the past they used card boxes and filing cases. They knew the routes and the streets. It is a highly skilled occupation and they are proud of their skill. Then we introduced automation. We paid absolutely no attention to the downgrading of the person who had been doing that highly skilled job, and we substituted a machine for him.

I do not know whether the postal code works. I boycott it because I do not believe it works. I do not believe that a machine can sort out a code written by pen, or pencil, or ballpoint, in whatever style of writing you have. It would have to be written in a specific place on that envelope with a certain kind of ink, because that is how cheques work in a bank. I know that the postal code could be typed and that that could work.

The worker in the Post Office has been very concerned about whether or not he will have a job and, much more important, whether than job will be important and will give him a sense of accomplishment. In my opinion the Postmaster General has given this problem some attention. He has also given attention to the problem of surveillance.

It seems to me it is going a little far to have workers going to the washroom surveilled, unless you are making blue movies. I think that with the use of other methods and with greater trust we can develop a better class of person who will no longer need to be spied upon and treated in a less than humane way, and then the job will be done that much better.

There have been an immense number of grievances in the Post Office which have never been dealt with, or at least only at negotiation time. This is happening all across the nation. Everyone is upset because teachers are going on strike, postal workers are going on strike, and garbage collectors are going on strike. All these people have been treated as less than human beings. They were part of the machine. You, Mr. Speaker, and I who have been in major craft unions were treated as individuals and we were proud of the jobs we did.

I was an underground hard-rock miner for many years. It was the top job in the mine, one of the most dangerous and best paid jobs. It was a job I was proud of doing. When I went home at night I knew I had done a good day's work. For that one had the respect of one's employer and one's fellow employees, and everyone in that industry did a good job or they did not stay very long. I sat on negotiation committees for years. The members of those committees were as interested in the guy who was the powder-monkey or the old chap who was working on a pipe fitting gang. They were as interested in the lowest paid person in the plant as they were in the best paid or the highest skilled, simply because we knew that solidarity was the name of the game and we had to stick together.

We are doing something else right now with regard to the Post Office. I would like to ask the Postmaster General whether he could guarantee on behalf of the government, if the union agrees to a supervised vote on the Treasury Board's final offer, that if it is rejected no government action will be taken but that negotiations would be reopened through mediation or in any other way, and a settlement reached. If that happened it is quite likely that the postal workers would get no benefits from it because it would have to go before the Anti-inflation Board which may well reject it because it might go beyond the guidelines and beyond the historical relationship with the other agencies, but it would be fair and in that way the workers would get as much as they can get.

I am surprised at the free enterprisers in the House who always talk about free enterprise. That is what the labour movement is in the north American context. It is a free enterprise operation. The company makes as much money as it can make, and the union demands as much money for its workers as it can. They are not taking a moral position and it has nothing to do with the co-operative idea. You get from the employer as much as you can on behalf of the people for whom you are bargaining.

I suggest that what we are doing now is to put this union—and this will apply to other unions in the future—under double jeopardy because we say they should vote on the government offer, but if they take that vote and if it turns out that the union accepts the vote, everybody will be happy, except perhaps for the leaders of the union who may not have recommended it. If they reject it, what do we do then? We pass legislation and put them back to work.

● (0200)

I suggest if we ask them to do this—if the government asks them to conduct a vote on its last offer, then the government should be prepared to say that if the offer is rejected it will continue the negotiations to arrive at a settlement, and then the Anti-Inflation Board can look at it. It could reject it or accept it, but we would have concluded negotiations in the normal way.

It seems to me that the statements that have been made about how this strike is hurting small businesses and individuals are very important. It is a fact that businesses are in very serious difficulty because of this strike. I am sure this is true of any strike, certainly of those in the public sector. I think I agree with a statement the Postmaster General has made on a number of occasions, however, to the effect that when this strike is over the relationship on both sides should be good enough so that we can really start to negotiate with the Post Office employees. It should also be good enough that the postal service will return to the standard it gave previously.

We hear of sabotage, of theft, and all sorts of things in the Post Office today. It would appear to me that if we took the motion that was proposed earlier and legislated these people back to work there would be a deterioration in our national mail service. In my opinion, we cannot afford to have it deteriorate any more. The settlement will have to be acceptable to the average Joe working in that operation otherwise it does not matter whether it satisfies the government, satisfies the union leadership, members of parliament, or some little old lady in the Pas who cannot get her medicine. I do not think this really matters.

If we are going to achieve reason on both sides, from that will come the machinery with which to make the changes that have to be made in the Post Office. For instance, junk mail should not be given to carriers on Monday morning when they have the Friday, Saturday and Sunday mail. Only the first class mail should be taken out on Monday morning instead of everything, as one postmaster insisted on doing recently.

It seems to me that we can provide a decent service in Canada but we have not been getting it. I strongly recommend to members that forcing the strikers back to work will not accomplish our objective of a better mail service. We should have that even if we have to pay for it. Equating our money with that of other countries, a 12 cent first class postage charge would not be unreasonable—providing we could supply the standard of first class mail service we had 20 years ago.

Mr. Prud'homme: May I ask the hon. member for Timiskaming (Mr. Peters) a question? He has twice put a question to the Postmaster General (Mr. Mackasey), and if the minister would answer it then some of us might not have to make our contribution if we were satisfied with the answer. Would the hon. member put his question to the Postmaster General again?

Mr. Peters: Could the Postmaster General guarantee on behalf of the government, if the union agrees to a supervised vote on the Treasury Board's final offer and it was rejected, that no action would be taken—I am thinking of back-to-work legislation—but that negotiations would be reopened to reach a settlement? It may well be that the anti-inflation legislation would disallow that settlement, but that would not be a specific action directed toward the inside postal workers.

The Acting Speaker (Mr. Turner (London East)): Do we have the consent of the House for the minister to answer the question?

Some hon. Members: Agreed.

Mr. Mackasey: Mr. Speaker, I cannot speak for the government but I can speak for myself. First of all, we would have to supervise the vote. Perhaps this supervising could be done even by members of the press gallery or somebody neutral who would see that the vote was properly held. We would have to make sure that there was proper explanation of the settlement to the workers, namely, that if they put in the hours they have over the past three years they would earn anywhere from $14,000 to $17,000. If the vote went the way of the leadership, obviously the leaders would come back to the bargaining table in a much stronger position.

I would not want to mislead the House and say there does not come a moment when you have to put public interest above private interest, or that we would never legislate them back, but I can guarantee we would get back to the bargaining table.

I have no knowledge of which way the Anti-Inflation Board would go if, through that additional strength, the unions were able to bargain more money. I was impressed with the hon. gentleman's speech but I should like to ask him a question: you cannot compensate with money for bad conditions, or does he think you can?

Mr. Peters: I am in total agreement with that, Mr. Speaker. There is always a conflict when negotiating the conditions of work—hours and holidays and other things. You relate fringe benefits to the package that money is in. I agree entirely with the Postmaster General that money will not compensate for the other things. I think the rancour that may be created by back-to-work legislation would do the same thing—that rancour would be very difficult to overcome. Even if money were available subsequently, the damage would be such that the postal service would not be adequate or what we anticipate.

Mr. David MacDonald (Egmont): Mr. Speaker, at this time of morning hon. members may wonder if a debate like this serves any useful purpose. Having listened to a good deal of it, I think it has been a useful debate with useful contributions from all sides. I cannot say that I agree in total, or even in large measure, with some of the things said this evening, but I think in totality the House has gained a good deal of insight with respect to this difficult situation. I think we have also given the Postmaster General (Mr. Mackasey) a number of specific points to consider as well as those involved on the union side.

It was mentioned earlier that some of the senior negotiators were here this evening. I know they will read with interest the totality of the debate. I am not going to add too much new information but I want to focus on three or four areas of great importance and of some controversy.

One point in particular seems to be the importance of the strike itself, or the importance of the loss of postal service. Partly because of the fact that this is not a new experience, that there have been, I think, 16 postal strikes since 1967, it has been possible for the Postmaster General and others to say that people have become used to the situation. I think what has really happened is that people have been in a constant state of traumatization. They never knew from week to week, or month to month, whether they were going to have a postal service that would function.

● (0210)

The minister said that the direct mail business people are in favour of a long strike to clear the air. I presume that if many have expressed a similar opinion there is support for that point of view. But let me utter a word of caution. I am not sure that the confrontation approach, this talk of clearing the decks or, to use the phrase of the hon. member for Hamilton Mountain (Mr. MacFarlane), of being on the beach, is valid or convincing. I think the hon. member was using a war analogy. I am too young to be fully cognizant of its meaning. At any rate, such military-type solutions will do little.

Some talk of "if and when" the strike is settled. I think there is more at stake than simply allowing people to go to the wall. Some think that once we have driven people to the wall, once we have gone through the valley of the shadow, as it were, somehow everything will be set right. I am sure that is not the minister's position. He has had much experience ironing out labour-management problems, and I am sure that is not what he means.

I am disturbed by statements made inside and outside the House that, somehow or other, the strike is not serious. We have embarked on some crazy debates about small businessmen and others, but never said a strike is not serious. This is the second largest country in the world, although thinly populated with some 22 million people. We are all linked, on economic, social and cultural terms, with a basic mail service. Suspending mail service for four weeks does basic damage to the fabric of our country.

Perhaps all our people are not overly concerned. Perhaps those living in an urban community, to whom most amenities are available within a few square miles, can get along without postal service. They have available newspapers, radio, television, courier service, and can travel from place to place in their limited geographic locality. But this does not hold true for a large percentage of our people. I represent a part of the country which depends greatly on mail service. We depend on the Post Office day by day, week by week, and do not want to be without the service one hour, one minute longer than absolutely necessary.

Frankly I deeply resent arguments made inside and outside this House that this going to the wall, this knock-them-down-once-and-for-all strike, will resolve all the difficulties the Post Office has experienced in recent years. I do not think that is true. It is a simplistic position at best. At worst it is exceedingly dangerous, as such a position involves the denial of a basic service provided to the citizens of this country. In all honesty I must ask why the Postmaster General in this instance has adopted a position highly unusual for the government.

As hon. members know, I have been here ten years. During those years when there were work stoppages in this country's public service the government ended the work stoppages through legislation. This was done with grain handlers, seaway workers, and railway employees. The minister suggested we have never done this with our own employees. We have always done it, so to speak, as disinterested third parties when employees of Crown corporations or other entities have been involved. Technically, he is quite right, but the technical argument carries little weight with me because I am not a lawyer. My training is that of a theologian, which may not always be useful in solving some of the problems we encounter in this House.

Why is the minister advancing basically a lawyer's argument? Usually he does not adopt such rationale. Why is he doing it with respect to the Post Office, considering his great experience as Minister of Labour in the settling of difficult labour-management negotiations? Why, in a sense, is the government adopting a new position on this particular strike?

True, a number of times he said, "We will not legislate our own employees back to work." But I do not find his argument convincing. Surely his decision is based on something more substantial than a legal nicety. There are two possibilities, one of which was referred to long before this evening. I do not want to sound unpleasant, but it seems to me that the minister wants to discredit the leadership of CUPW.

Mr. Mackasey: They do not need my help.

Mr. MacDonald (Egmont): My colleague has put it even more strongly. My suggestion might be part and parcel of the minister's position; I hope he will explain if that is so. Others conclude, and perhaps this is closer to the mark, that the minister wants to work within the government's anti-inflation program. After all, he had considerable experience as Minister of Labour in bringing about settlements; perhaps he thinks the time has come to alter a basic aspect of labour-management relations in the public service, the legislated settlement.

Apparently the minister wants to change the sort of thing that happened in the past. In the public service we have witnessed negotiations, the breakdown of negotiations, the appointment of an outside mediator who filed a report, further discussions and, finally, a strike. The strike continues sometimes for five or ten days, or two weeks, after which there is a legislated settlement. Employees in the public service have become increasingly aware of the possibilities of a final, legislated settlement. They know that if they go on strike for a few days they will not be without pay long enough to be badly hurt and that parliament will finally legislate them back to work. If the minister is trying to cure that mentality through this particular strike, I say he is playing a dangerous game. He is, in a sense, trying to deal with questions concerning labour-management relations in the Post Office without going to the root causes, to which reference was made earlier this evening.

I think the minister is too much imbued with his previous role as Minister of Labour, when he was successful in achieving strike settlements. He operated as a kind of lone gun who could wait them out if necessary, going into all

night bargaining sessions in shirt sleeves, ready to strike when the iron was hot, ready to pull a settlement out of the fire. It was very much a kind of "by the seat of your pants" operation. He received favourable credit for being a success at it.

● (0220)

The minister has reached the point now where he may be well over his head. He may well be playing fast and loose with a vital service service such as the Post Office which will find it very difficult to recover from this kind of "High Noon" treatment. I do not say this with any kind of enthusiasm, but quite frankly the minister has reached the stage where he better accept some serious counsel from other people who understand the two or three issues he is trying to deal with at the same time and in the same capsule.

It strikes me that the game the minister is playing is such a dangerous one, and one that is so uncertain of being successful, it has to be one he should not pursue at any greater length unless he believes there is absolutely no other route to follow. I do not believe that is true.

There have been a number of suggestions. They have been made by my colleague, the hon. member for Vancouver-Quadra (Mr. Clarke), who put before the minister this evening a number of possibilities that are well worthy of consideration. The Leader of the New Democratic Party (Mr. Broadbent) made a suggestion which deserves more than summary disapproval of the minister. A few moments ago the hon. member for Timiskaming (Mr. Peters) made a further suggestion to which the minister should give some consideration.

The time has come for the minister to realize that to use this device of this strike, either to reorganize the authority structure of CUPW, or to establish new precedents with regard to legislative intervention by this parliament, is not the name of the game with respect to the restoration of postal service. The time has long since passed for the minister to confer with the Prime Minister (Mr. Trudeau) and his colleagues and to say that there are two or three options which will achieve a conclusion to this very difficult and very costly strike, and they must be acted upon here and now.

If there is anything useful to the special debate we have had this evening it is that the minister will realize at the conclusion of the debate, which will come in the next hour or two, that the time for sitting and hoping for other than these things to happen is not going to occur. The time for him and his colleagues to exercise their responsibility has arrived. A number of options have been placed before the minister this evening. It is his duty and the duty of the government to act upon them, and to act upon them now.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, as I look at the clock I feel we have good cause to ask ourselves what we are doing here at this hour. Our very presence here at this time, dealing with this subject, is the strongest and most convincing argument I can imagine of the importance of our present debate.

The Post Office is in real trouble. The Canadian public expects us to do something about it. That is why we are here. We should express our thanks, all of us, to the hon. member for Vancouver Quadra (Mr. Clarke) for precipitating this discussion.

[Mr. MacDonald (Egmont).]

In order to understand the full significance of our presence here and our discussion of this matter, we must go back to a few real basics in the matter of collective bargaining. For example, I read in an article in the May 3 edition of the Montreal *Star* that the failures in collective bargaining created a need for a new approach. That is a sort of beginning.

The basics that we really must be looking at start with the concept that the Public Service is hired by the public to provide a service to the public. It is almost a tautology to say so, but it is essential we understand that is what it is all about. When that service is withdrawn or offered in offhand manner, the public feels cheated. The public pays for the service. When it is deprived of it, it is quite understandably annoyed, frustrated, and wants something done about it.

The reasons for withdrawing the service have to be determined. It may be the intransigence on the part of the union or intransigence on the part of the spokesman for the public.

An hon. Member: Or both.

Mr. Munro (Esquimalt-Saanich): It may be a mixture of both. Let us remember that there is a proxy in both cases. There is a surrogate spokesman; a surrogate for the people offering the service and a surrogate for the people demanding the service. These people think they are interpreting their constituents. They should not necessarily think that they are always correct in this.

When the public interest is seriously affected he who is in the wrong has to be brought to task, the union or the government, the negotiators on one side or the other, in order to restore service to the public, which in the final analysis is the employer in this particular situation. The determination may not be easy, but it is one that has to be made.

Much has been said in this debate this evening about strikes and the right to strike. I would like to say a word or two about another aspect of strikes that must, in my opinion, be brought to a halt. It is not inherent in any right to strike. To my way of thinking it is an aberration. I refer, of course, to picketing. Picketing is a denial of man's right to make individual decisions and carry them out. Picketing can be used to draw attention to an alleged grievance. That is a legitimate form of picketing. However, when picketing is carried to the length of causing harm to people who legitimately want to return to work, it becomes, morally anyway, unlawful. It should be made unlawful. We are the people who can do so.

Mr. Benjamin: No way.

Mr. Munro (Esquimalt-Saanich): I hear "no way". Just you wait. In this morning's paper I read that a woman in Montreal legitimately wanted to go back to work. She was hurt as she tried to go through the picket line to go back to her legitimate job. She has every right to do that. She wants to earn her wage. Why shouldn't she? Why should a picket stop her from doing so?

We have been talking about abridging the right to strike, putting brackets around it or limiting it in some way. We must also consider that there is no right to picket and keep people from doing the job they have been hired to do.

● (0230)

As to the strike itself, the strike, we all remember, is one of those elements in the collective bargaining system which was granted by an earlier Liberal government—I notice there is no applause—against the advice of the chairman of the Civil Service Commission of that day. The Heeney Report advised strongly against according the right to strike to the public service. The government of the day in its "wisdom"—and I put that word in quotation marks—decided there should be a right to strike written into the Public Service Staff Relations Act, and there it is. I have never understood just why it should be so.

I was a member of the public service at that time. I never asked for it. I would be ashamed to exercise it. I do not think it needs to be there. However, as a means of upholding the public interest in these circumstances and recognizing in the final analysis that the public is the employer, I have tried since I have been in parliament a variety of routes in the Joint Committee on Employer-Employee Relations in the Public Service to see what now needs to be done to reduce the damage which was done by extending the right to strike to the public service. That right is there, but it needs to be fenced in; it needs to be limited because obviously it has not worked properly.

I tried a variety of forms, a variety of propositions. One of them was to suggest in the committee that we withdraw the right to strike from the public service. I was told I was dreaming in technicolour—the expression was used earlier today but it was another member of the Committee who used it on that occasion. Obviously I would not be able to obtain majority support for that notion, so I tried another approach. It involved an elaboration of the Public Interest Disputes Commission which ended up in arbitration. This did not attract much approval so I tried a third approach.

My third approach had to do with liability, the notion being that, once it is determined who is responsible for the service being suspended, that entity should become liable for the damage done to the individual, to the person who wants to service; that the government on the one hand, if it is responsible, or the employee, the employee's union on the other, should be held liable to be sued for the damage which has been done to the public—to individual members of the public.

We have all heard this evening about the various kinds of damage to the public caused by a strike of the present nature. This idea, I was told, was so complicated that it would tie up the courts endlessly from now until the end of the 21st century. Again I was informed this was a no-starter.

Then there was a suggestion from one of our members who was not able to be there. A discussion was prompted and it brought forward the notion which was mentioned this evening by one hon. member, which came to the point of suggesting that we should have inserted in the law—and I am breaking no confidence now, he broached the matter earlier—provision for a secret ballot not only on the strike but on the decision to hold a strike vote. I think this ought to be done also, because there is always too much danger to an individual member of a union should he stand up and say, "I oppose a strike." He may oppose a strike, but when he gets home he finds his windows broken. Unfortunately this happens. I am not suggesting it is happening to a marked extent in this situation, but it does happen. The individual must be protected.

Too little has been said this evening about the damage which has been done to the public which has been paying for the service. The damage has been grievous. It would have been serious at any time of the year. It is even more serious at Christmastime when, for example, the United Appeal campaigns are in full spate. Christmas seals are being sold and other community welfare campaigns are operating. Many of our local community services are likely to be severely handicapped in 1976 as a result of this strike.

Many of the small businesses across the country are running into difficulties. One case immediately comes to mind, because when I was home over the weekend I happened to drop into a variety store where a man had bought his stock of Christmas cards. He has $3,000 worth of Christmas cards on his hands and nobody is buying them. He is only one of thousands who had ordered supplies in plenty of time—they were delivered by transport of one kind or another. So he has either to service the debt to pay for his purchase or he must take it out of his capital stock. This is a serious matter for the man affected by it, but it is only symptomatic of the damage being done to businesses.

It is true arrangements are being made to distribute social security cheques. But travellers, and those who are looking for their passports are greatly inconvenienced. How many of us are carrying passports back and forth? I hope we all are. I am. The purchasers of Canada Savings Bonds are having their problems. Some people who bought Canada Savings Bonds did so as a form of immediate saving intending to cash them as soon as they were delivered. But they are not being delivered. I know a person who wanted to put down a number of bonds as a down payment on the purchase of a house on November 1. He could not get them. I am still looking for them. He probably missed a chance to get that house, or else he was obliged to pay a much higher mortgage rate.

We cannot avoid the conclusion that the public interest is deeply affected and that it is the duty of the government to restore the service and see that it is maintained. This could be done by back-to-work legislation for which we have called. I would point out that we have not pushed this point of view too hard, realizing that delicate negotiations were in progress; we did not want those negotiations to be destroyed or thrown out of balance. Nevertheless the time has come, not only for back-to-work legislation but for legislation accompanied by a requirement for a vote of confidence in the executive of the union and for the negotiating team which worked out the settlement. In this way we could restore the postal service to what it should be and then, when the time comes, when the report from the Joint Committee on Employer-Employee Relations comes down, we hope we shall be given legislation which will restore proper working relations between the government, as proxy for the public, and the unions so that relations between those two important aspects of our society may be restored.

Postal Strike

Mr. Douglas Roche (Edmonton-Strathcona): Madam Speaker, in determining whether I should speak in this debate and trying to assess whether or not anything any of us could say would make any impact on the government, what determined me to make a brief speech even at this later hour was a phrase the Postmaster General (Mr. Mackasey) used when he began his speech. He said that people can adjust psychologically to this strike.

● (0240)

I think the key to the thinking of the Postmaster General is contained in the word psychologically. Surely asking the Canadian people to make such an adjustment in a service which, as we have heard so many times tonight, is an essential service, one that the Canadian people not only have a right to but have a great and in many cases desperate need for, is to give the Canadian people the kind of government that they do not deserve. The Canadian people deserve a parliament that is not spending its time legislating grain handlers, air traffic controllers, longshoremen, airport firefighters, and now, because of hopeless deadlock, the postal workers, back to work.

The Postmaster General has said that people are not complaining, that they can make adjustments. He ought to come to my office in Edmonton and hear the personal complaints of businessmen and people who need the mails. If he did, he would not have such a lacklustre attitude.

I am not going to dwell on this point; it has been made many times tonight. I merely say that if there is insecurity, uncertainty, alienation, and frustration in Canadian society today, it is because of the absence of strong leadership by a government that will take the economic situation in its grip and do something to help businesses and people maintain economic stability.

How much longer do we need to have a strike before convincing the government that without strong action on its part the postal service will not be resumed? For reasons somewhat surreptitious, as the hon. member for Egmont (Mr. MacDonald) said in his intervention this evening, the government has decided not to bring into the House at this point back-to-work legislation. It will not even bring in legislation calling for a mandatory vote by the membership of the union on the government's latest offer.

We have said enough tonight to satisfy ourselves that without the continued protests of members of parliament, who are doing their best to convince the government it is on the wrong course, we would be remiss in our duty. This is why so many of us have stood up tonight. The government seems to be concerned with protecting the democracy of a few union leaders at the expense of the democracy of the Canadian people.

We have as much right to the continuation of essential services as the union leadership has the right to try to hold a gun at our heads. There will come a time when the Canadian people will finally rear up and resist the continued breakdown of society as a result of strikes. I believe that in the interdependent society that Canada has become from east to west and all through the various reaches and avenues of our life, the strike has become an outmoded weapon. The best union leaders of North America themselves are saying that the strike is outmoded.

[Mr. Munro (Esquimalt-Saanich).]

Why then do we persist with paying tribute to the alleged sacredness of the strike? I suggest it is time we go far beyond that. I think it is why we in parliament ought to be thinking beyond the mere settlement of this strike. I have heard this kind of speech before from members of parliament. They say "Let us get by this strike situation we are in, and bring in better legislation so we will not get ourselves into this box again." But when are we going to learn? Having said that strikes are outmoded in essential services, I go on to suggest that strikes be prohibited. The Canadian people want an end to strikes in essential services.

Just what is an essential service can be defined by a public commission. Let some of the best people in the country be appointed to a commission to determine what is an essential service. Believe you me, Mr. Speaker, the money we pay them would be more than repaid by what will be saved by preventing continued economic disruptions because of strikes in essential services. With such an arrangement surely our bargaining process would reach the point where, if there were failure to agree on the terms of a contract in a declared essential service, the dispute could be sent to a labour court, a public commission, or an impartial arbitration body empowered to make a fair judgment.

I believe such a system is worth a try. It certainly is not new. Many people have talked about it for years but no one in this country will do it. The Canadian people deserve far better treatment than they are now getting. They deserve a sense of urgency on the part of government. They do not deserve to be told by the Postmaster General that they can simply adjust psychologically and start using telex and the telephone, and life can go on. Life cannot go on in the way Canadian people want it to go on, and it is time the Postmaster General was told that plainly.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker—

Some hon. Members: Sit down.

Mr. Benjamin: My colleagues are anxious to hear from me. I listened carefully to the speeches for most of the night, except for the odd occasion when I might have been absent, and I have three or four things I want to say. I hope to be brief.

First, I want to say to my friends to the right who talk of essential services that they have yet to define what is an essential service. In every case where an essential service is organized and recognized as a bargaining unit, having become an essential service demands are then placed on the government by my friends to the right for an end to that which has now become an essential right. I have seen this happen with grain handlers, longshoremen, railroaders, and now the postal workers.

Mr. Beatty: We think that essential services are essential.

Mr. Benjamin: I am sure that if the people who deliver their lobster tails or pheasants under glass were on strike, my hon. friends to the right would consider them an essential service. I wish the minister were here and I hope

that the hon. member for St. Boniface (Mr. Guay) has gone out to get him.

There is more to this than the particular strike, and I wish my hon. friends to the right would remember that. If they would think about the largest post offices in their own ridings they would know why we are in the mess we are in today, and I think they would be very hesitant about taking away the right to strike. This difficulty lies in the historical relationship between management and employees of the Post Office, and goes back a lot of years.

● (0250)

In the case of the Regina post office there is a lady employed there who has been with the Post Office classed as a casual for 12 years. There are two other ladies in that post office, I want to tell the Postmaster General, who have been there for eight years and one for nine years. He called them casual.

Mr. Mackasey: The union won't let them in the union.

Mr. Benjamin: Let me tell the Postmaster General that the union has been trying to get these three cases settled for five years now, since before he was the Postmaster General. If he wants the members of the union in Regina to vote to go back to work he should not only settle the cases of these three casuals in the post office at Regina, he should also look into some grievances, some of which are four years old.

Mr. Mackasey: There are no casuals in the union, and you know it.

Mr. Benjamin: Of course, and that is what I said, which you would know if you had been listening.

Mr. Mackasey: Let them look after their own members.

Mr. Benjamin: You see how the Postmaster General sloughs it off. He allows that dumb management he has got to get away with this crap they have been getting away with year after year. They have been getting away with it since he took over the Postmaster Generalship.

Some hon. Members: Order, order!

Mr. Benjamin: When this Postmaster General took over he was going to be the great knight, the great hero from the trade union movement. He was the great sympathizer with the trade union movement. He was not going to take a backseat to anybody, but was going to be on the side of labour. Where the hell has he been since he has been Postmaster General in so far as dealing—

Some hon. Members: Shame, shame!

Mr. Benjamin: —with several hundred women in his department? With or without the union—

Mr. Guay (St. Boniface): That is not good language.

Mr. Benjamin: With or without the union I expected that this Postmaster General was going to tell management that it must settle these grievances, some of which are very picayune, but some of which are three or four years old.

Some members of the union are wrong, but they cannot meet with the Postmaster General. He sits there being the hero and the white knight for labour. I am not an expert like the Postmaster General.

An hon. Member: And that's for sure.

Some hon. Members: Hear, hear!

Mr. Benjamin: I do not consider that a detriment in my own case.

An hon. Member: But we do.

Mr. Benjamin: I want to tell the Postmaster General that I have sat at the bargaining table, as he has, and I have been on the side of management as well.

An hon. Member: Good for you.

Mr. Benjamin: He is not the only person in this chamber who knows something about bargaining. I want to tell him quite frankly that his stagemanaged operations over the last few weeks have not helped collective bargaining. If he is correct, and I believe that he is, about how good collective bargaining is, then let me point out that his stagemanaged operations have not helped this bargaining one bit. Even if he was 100 per cent right—

An hon. Member: You would still say he is wrong.

Mr. Benjamin: —which he is not, he should still go back to the bargaining table. I am happy the minister has the strength to stay up all night tonight. I am very happy about that.

Mr. Guay (St. Boniface): What constructive criticism have you brought forward?

Mr. Benjamin: If the Postmaster General would look into a lot of the things that have led to this strike he would find that many of them have nothing to do with the $1.70 cents an hour, and nothing to do with some of the other things he has been talking about, but rather relate to historical problems between management and employees of the Post Office Department.

All the minister needs to do is casually walk into a medium or large sized post office anywhere in Canada and try to get waited on, or ask question and try to get answers, and he will find out why his employees are so fed up and prepared to go to any lengths.

An hon. Member: Oh, go lick a stamp.

Mr. Benjamin: The minister should do this. I have done it and I have found out. The other thing I was going to say—no, I had better not say it.

Some hon. Members: Hear, hear!

Mr. Benjamin: I will go on to the next point I want to make.

An hon. Member: And that will be your first one.

Mr. Benjamin: The hon. member for Timiskaming (Mr. Peters) put a suggestion forward. I did not hear all of it.

An hon. Member: Go and ask him.

Mr. Benjamin: I would like the government and the Postmaster General to agree that we place the union and the Postmaster General under trusteeship so that we can look at his books and records, including those of his management people and all the memos he has received from them, some of which must have shocked him rigid. If the minister would like to propose that, I for one would be prepared to support him. Put them under trusteeship. If the minister thinks his case is that good, he would agree to make the offer to the Post Office employees to appoint an arbitrator, a conciliator, or a trustee. He should accept the idea of appointing a trustee. I would be very interested to know what the trustee might find out.

Every member of this house has had correspondence and surreptitious meetings in private with Post Office employees, and we know those people are scared silly to go to anybody, including the union, with their problems, but this great white saviour of the union movement, this fellow who is all for collective bargaining is not prepared to go to that kind of length.

I happen to think the postal union is not 100 per cent right in this instance.

An hon. Member: What a concession!

Mr. Benjamin: I think the Postmaster General is perfectly right in not wanting to get into the same kind of box some of his colleagues are in by paying one group of workers more than another group. You cannot do that without getting into a mess, and I happen to agree with the Postmaster General in that regard.

The Postmaster General should realize that one of the reasons why the employees are prepared to go on strike has nothing to do with dollars and cents. Even with a settlement on the basis of the offer by the Postmaster General, there are still thousands of employees in the Post Office Department who are being put upon, who are fed up, who do not have any protection, and over whom the union has no jurisdiction at all.

The Postmaster General sits back and accepts memos from the Post Office brass, but he does not go out and talk to some of the people who have been casuals for eight, nine and 12 years. These people are not casuals, they are casualties of the Postmaster General. I thought he was to be the one to correct these things. We have waited all these months for him to do something. I am sure the Postmaster General would be very happy if a vote could be taken that did not support the union, and the leadership was dissipated overnight. I am sure he would be very happy about that.

Mr. Mackasey: Would the hon. member permit one question? Does the hon. gentleman know that one of the requests of the union at the bargaining table is to eliminate all casuals?

Mr. Benjamin: Yes.

Mr. Mackasey: Yet he is telling me at the same time that they are fighting for more casuals.

Mr. Benjamin: No, that is not what I am telling you. The Postmaster General was not listening. I am telling the Postmaster General there is dissatisfaction in the union ranks in the Post Office Department, and whether the grievance involves casuals or part time employees, if he would check the records of management and of the union right across the country he would find that there are thousands of cases still unsettled. That is what I am telling him. Whatever agreement he reached with the union in respect of casuals, they do not trust him or believe him. I would seem to me he might do a few things about some of the old cases that are on the books.

● (0300)

If the minister wants to earn the trust not only of the rank and file members of the department but of the union leadership he will kick the ass out of some of his management types, and get the old things settled and out of the way. When is he going to do this? I get sick and tired of him telling us he has been a union member, and so on. It seems to me he has forgotten where he came from and that he has forgotten why he is here. Some of the men and women in the Regina post office tell me they look upon him as the typical free enterprise bureaucrat with a great big "B". They have some picayune grievances. They are not big things, but they are angry about them. Where has he been? He serves ultimatums. He is the big wheel who has forgotten about the bargaining process.

Until the Postmaster General returns to where he came from he will continue to have grievances in the Post Office Department, just as his predecessors had. I have not seen much improvement since he took over the portfolio from his predecessors. I submit to the Postmaster General that if he would get a lot of these things which add up to much anger and frustration among his and other employees out of the way, he would receive co-operation from the employees of the Post Office Department.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I had not intended to speak tonight but I shall do so for two or three minutes because of the speech of the hon. member for Regina-Lake Centre (Mr. Benjamin).

The hon. member for Edmonton-Strathcona (Mr. Roche) asked earlier, "Will they learn"? I wonder when the members of the NDP will learn that they cannot have everything the way they want it. They tell us we cannot put the postal workers back to work. We have had a very responsible debate started by the hon. member for Vancouver Quadra (Mr. Clarke).

We have asked the government to bring in a free vote which I believe the people of Canada want to see, but the NDP oppose this. The premiers of their own party, including the premier of my province, put the meat people, the food people, and the wood people back to work. The premier of British Columbia must believe in the collective bargaining process because he has the support of labour. But he put them back to work because this was the responsible thing to do for British Columbia and Canada at this time. What this party is asking is that the postal workers be put back to work because this is what the people of Canada want, and it is what the majority of the postal workers want.

Some of the postal workers have spoken to me. I told the minister about one man who was harassed when he wanted

to go back to work. I hope the minister listens to us and not the diatribe coming from the members of the New Democratic Party.

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I enter this debate tonight with some trepidation. It is after three o'clock in the morning.

Like most members of the House I am torn between the political expediency of a short-term solution as opposed to the long-term best interests of Canadians. I, perhaps among all members of this House will suffer more, as well as my constituents, as a result of the recent postal strike due to the fact that I have the largest mail order business in my riding. Five per cent of the industrial work force in my riding could be eliminated by this strike. My constituents, including those who possibly could lose their jobs because of this strike, are strongly in support of the stand taken by the Postmaster General (Mr. Mackasey).

I think the Progressive Conservative party tonight has demonstrated real strength behind the Postmaster General, particularly in the motion moved by the hon. member for St. John's East (Mr. McGrath), which asks for a free vote. What we want as parliamentarians is that they have a free vote.

I think the Leader of the New Democratic Party (Mr. Broadbent) has shown irresponsible leadership in trying to have further confrontation. Perhaps he should read the speech of the hon. member for Timiskaming (Mr. Peters), one of his colleagues, who probably gave the most intelligent speech given by any member of that party.

I think the Postmaster General is for labour. No one can deny his role as a spokesman for labour. I was amazed to hear the hon. member for Regina-Lake Centre (Mr. Benjamin) question the track record of the Postmaster General.

Mr. Benjamin: He is getting bored with the whole operation.

Mr. Lumley: I do not think so, I think he is showing leadership. I do not think 28 work stoppages in 20 months, 25 of them illegal, are an indication of leadership on the part of the union. These are the types of points that have been brought out tonight except by certain members from one particular party.

I do not think that forcing these people back to work is the solution to the problem. There is no question that we must develop some long-term solution. I think the Postmaster General has stood his ground and has not taken the easy way out. He has not recommended to this House or to the government that the workers should be forced back to work. I think that is real leadership. I am surprised tonight that with the track record of the Postmaster General, when for the first time he takes a very tough stand, all of a sudden everybody should attack him. I do not know anyone who more than the Postmaster General has stood his ground in very difficult times.

It is very late, Mr. Speaker. I have appreciated some of the comments that have been made tonight. I am sure consideration will be given to those who have made very conscientious and worthwhile contributions. The contributions of others which have been critical, negative, and very irresponsible will show up on the record.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, it is now 3.11 a.m.

An hon. Member: 3.12.

Mr. Alexander: I just wish first to thank the hon. member for Vancouver Quadra (Mr. Clarke) for bringing the motion before the House this afternoon. It was a simple motion to the effect that this House do now adjourn.

It seems to me that all responsible members have taken the opportunity to bring before the Postmaster General (Mr. Mackasey), who certainly is a very sensible person in this regard, their concern about what has been happening over the past 29 days.

I should also thank you, Mr. Speaker, for your gracious hospitality in seeing that members on both sides of the House were treated royally through the provision of sandwiches. We want to thank you for looking after us by giving us sustenance to carry on, and we thank my young colleague, the hon. member for Pembina (Mr. Elzinga), for seeing to it that hon. members received apples.

● (0310)

But most important we should give singular recognition to the staff who periodically become stuck in this sort of situation. Their devotion to duty is much appreciated and warmly received. We appreciate their steadiness, their reliability, and their understanding. This includes, of course, *Hansard* reporters and all of those who are still working in such magnificent form.

I can see that the press too is awake, God bless them. Usually at the end of a sitting around 10.30 p.m. or eleven o'clock there is only one member left in the press gallery. Now we have four. It shows you how important this debate is and how concerned they are about its result. Surely we all would dislike being here at this hour if nothing were to happen in the long run.

I say that collective bargaining is being questioned. With all our collective wisdom on both sides of the House and outside the House we have been talking about the collective bargaining process and the time honoured right to strike. We have been talking about the recent lock-out, and somebody spoke about the final offer, compulsory arbitration, and voluntary arbitration. We on this side submitted recommendations about implementing the proposal of the public disputes commission. We have heard about labour courts, and now we have the Finkelman investigation into the Public Service Staff Relations Act. I hope that this time they will look into the definition of essential services. This is something we have to be concerned about. The Canadian people are exercised over it; they want to know what the essential services are and what we should do to maintain them to protect the public interest.

I will not be much longer, Mr. Speaker, but I must chastise the minister, friendly as we may be. I think that this strike can be divided into two situations. One is the matter of public interest and the maintenance of essential service versus the collective bargaining process and all it stands for. Unquestionably sooner or later governments have to move in order to protect the public interest, and in

our view the time has arrived to do so. The government says that in its judgment this is not the time.

Surely we all realize that some 17,000 letter carriers are losing something like $700,000, and that there are 22,000 inside workers losing $800,000 a day. We have this peculiar situation where 22,000 people govern the destiny of this country. This is what people are exercised about; they do not understand how it can happen in a democracy and how the government can be so insensitive to the needs of the public. The minister may say that people can use the courier services and telex. Let me tell him that these are restricted to only a few, but there are countless thousands of people who want the mail service to operate for any number of reasons. That is one situation.

The other situation—and I think the minister will respect me when I say this—is that the minister is out to break the union, particularly the executive. We all know that. We see an ego trip here. The Postmaster General is smiling because he knows I am right on; he is smiling like a Cheshire cat. He is on an ego trip. It is a declaration of war between the Postmaster General and Mr. Parrot and Mr. Davidson. Did you ever see such a confrontation in your life?

Usually the Postmaster General is a very smooth operator. This time he likes what he is doing, and I do not blame him, but what I do not like is that he is putting the whole load on the backs of the Canadian people. With all respect, that is shameful. Anyway, who will win in the long run? Because even if you break the back of the postal union you have not solved the problem. Apart from the union in Montreal we also know there is a radical movement in Toronto. Are they next? I am not throwing this out in the hope that it will happen, but we all know there is another problem in Toronto, the minister and I know it. He has tackled Montreal first, but is it fair, is it just that this battle take place on the backs of the Canadian people who rightly deserve the service for which they pay?

The minister has impeded the collective bargaining process as a result of the government's introduction of its policy under Bill C-73. I remember the shades of 1974. What is happening? As a result of the imposition of this policy there can be a bargaining process at this time, but in any event it is a myth, because unlike the private sector those in the public sector can only go so far. If they think they have the bargaining process at hand they are mistaken. It is a myth, because when the public interest is adversely affected we have to step in and say, to heck with the collective bargaining process. This is being realistic and pragmatic.

I hope the minister will not carry on this battle with Davidson and Parrot much longer because he will not win and the unions will not win. I am also afraid that those who will really lose will be the Canadian people because the public interest cannot continue being affected so adversely. It is the minister's judgment. He was elected to lead. But surely the minister cannot be that insensitive to the needs of widows, of those who have families overseas, and to our overseas commitments and our trade.

Mr. Benjamin: What about casual workers?

Mr. Alexander: Why don't you go to sleep as you have been all night, except for that last minute speech?

All I say is that we are looking for solutions. I do not have them. I put forward several alternatives. All sorts of things are happening in terms of what we can do to make the collective bargaining process work that much better.

The minister has the ball. It is up to him to catch it, carry it, and score a touchdown, as he has in the past. Let me say in conclusion: stop the theatrics with respect to your colleagues on the other side of the fence. The Canadian people appreciate what the minister has done but there comes a time when the public interest takes precedence, and in my view the time is now when provision of essential services is paramount.

Mr. Deputy Speaker: Pursuant to Section 13 of Standing Order 26 I am satisfied that the debate has been concluded, and I therefore declare the motion carried.

• (0320)

This House stands adjourned until two o'clock p.m. this afternoon, pursuant to Standing Order 2(1).

At 3.22 a.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 18, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIR TRANSPORT

REQUEST FOR STATEMENT ON CHANGES IN REGULATIONS TO PERMIT GREATER COMPETITION BETWEEN CARRIERS—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the existence of restrictive regulations by the Canadian Transport Commission seriously limiting domestic and international scheduling in Canada by air carriers other than Air Canada and in view of the statements of the Minister of Transport (Mr. Lang) both inside and out of this House that he was prepared to remove or amend these restrictive regulations, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House direct the Minister of Transport to immediately make a statement on motions outlining the particulars of changes to be made to regulations of the Canadian Transport Commission to facilitate reasonable competition with Air Canada by other carriers.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

PROPOSED APPOINTMENT OF MEDIATOR TO SETTLE STRIKE OF INSIDE WORKERS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The matter of urgent and pressing necessity arises from the complete deadlock in the negotiations between the post office and postal workers. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the government to appoint a mediator in the postal dispute who would be instructed to attempt to achieve a settlement within 72 hours and failing this would publicly submit recommendations to be considered forthwith both by the government and by the membership of the postal workers' union.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

[*Translation*]

HOUSING

REQUEST FOR INTEREST FREE LOANS TO HOUSE BUILDERS—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss an important matter of pressing necessity.

Since interest rates are mainly responsible for higher housing costs in Canada and considering that it has become urgent to reduce those excessive interest rates to make the purchase of a house financially attractive to every Canadian and as the federal government has already taken the first step by introducing a bill aimed at granting assistance under the form of an interest-free loan during the first five years, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the federal government take the necessary steps so that the assistance granted under the form of a loan free of interest during the first five years be extended to the duration of the loan.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

THE CANADIAN ECONOMY

AUTHORITY OF EXECUTIVE CONSULTANTS LIMITED TO ISSUE DOCUMENT ON INFLATION PROGRAM GUIDELINES—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 in regard to a document issued by the Prime Minister's office a while ago entitled "Questions and Answers on the Initial Guidelines" and circulated by Colin Kenny, director of operations in the Prime Minister's office. I would move, seconded by the hon. member for Dauphin, as follows:

That in view of the fact that Executive Consultants Limited of 151 Slater Street, Ottawa, whose president is a former employee of the Prime Minister, namely, William Lee, have reproduced exactly and in entirety under their own letterhead and apparent authorship for circulation to their clients the exact document issued by the Prime Minister's office on government guidelines, the House requests the Prime

Minister to state whether this firm operates under contract with his office, whether anyone in the Prime Minister's office or the government has an interest in this firm and, specifically, who gave Executive Consultants Limited permission to copy and misrepresent as their own this government material.

Mr. Speaker: Order, please. Is there unanimous consent?

Some hon. Members: No.

* * *

[*Translation*]

INCOME TAX ACT

SUGGESTED AMENDMENT TO PERMIT DEDUCTIBILITY OF COST OF WORKERS' TOOLS—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to move a motion of pressing and urgent necessity under the provisions of Standing Order 43.

Considering that construction workers and mechanics have to pay for their own tools which they need for their work and that tools are very costly; that without these tools, workers cannot do their work, and to encourage workers and protect them against excessive price increases of such tools, in spite of the fight against inflation, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That this House request the Minister of National Revenue (Mr. Cullen) to introduce amendments to the Income Tax Act to permit deductibility of cost of workers' tools from their income.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

AIR TRANSPORT

SUGGESTED DEBATE ON USE OF FRENCH IN AIR TO GROUND COMMUNICATIONS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Given the guidelines issued last Friday by Mr. Walter McLish, director of civil aviation in Canada, to make the English language the only language to be used for air to ground communications on instrument flights and visual flights at more than 9,500 feet of altitude, while no provision prohibited the use of French before, and since this could seriously affect and even disrupt completely the air service of the government of Quebec, I move, seconded by the hon. member for Témiscamingue (Mr. Caouette):

That this House be allowed to discuss immediately this important matter which turns out to be somewhat comical and inconsistent, since on the one hand, the government of Quebec, which made French the official language of the province, would be forced to accept unilingualism in that field and, on the other hand, the federal government, which advocates bilingualism at a substantial cost, has just imposed through these guidelines English unilingualism in that same field.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSITION OF PROVINCES ON ACCEPTANCE OF FEDERAL GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a question to the Minister of Finance with regard to the acceptance by the provinces of the federal guidelines relating to the anti-inflation program. The minister having been unable to give the House any assurance that the Province of Quebec will follow the federal guidelines within the jurisdiction the province is reserving to itself for its own administration, can the hon. gentleman give us any assurance with respect to the Province of Saskatchewan, for example, where the Speech from the Throne appeared to indicate that the government of Saskatchewan might want certain modifications? Has the minister been in touch with the government of that province and can he assure us that the federal guidelines will apply there within the area of provincial jurisdiction?

Hon. Donald S. Macdonald (Minister of Finance): As I told the House last week, there is to be a meeting of officials of the federal and provincial governments substantially on the question of the guideline program tomorrow and the next day. I hope to be able to report more fully to the House after that meeting as to the final position of the various provinces.

Mr. Stanfield: May I ask whether the government is presenting to this House, to the country and to the premiers of the provinces a uniform program to be applied across Canada, a program which involves the acceptance of the same guidelines in all the provinces? Or is it the position of the government that this is a matter for each province to determine for itself?

Mr. Macdonald (Rosedale): I think the legislation speaks very well for itself. With regard to the areas subject to enforcement, we have made it clear that except for the public sector the industries affected will be covered by federal legislation and that the federal jurisdiction will

apply. With regard to the public sector, we have given the provinces the option whether or not they will choose, as Ontario has, to put the administration of the public sector under the federal government body or whether they will choose their own.

With regard to his earlier statement, may I say we have had the assurance of the Quebec minister that he will be co-operating with the present program. As I have already said, the Quebec bill speaks for itself; it is virtually the mirror image of ours.

As to what the remaining provinces do, as I said last week we hope that they will come to an early conclusion, as several provinces already have. If, in effect, they choose to put the public sector under the federal bill, it will apply in the same way from one province to another.

ANTI-INFLATION PROGRAM—REASON FOR BASING PROGRAM ON INFLATION FACTOR OF EIGHT PER CENT

Hon. Robert L. Stanfield (Leader of the Opposition): And if they do not, the program will go forward on the basis of variations from province to province. May I ask the Minister of Finance a question arising out of the report attributed to the Department of Finance that the rate of inflation next year is expected to be 9.2 per cent. If that is the federal government's prediction behind the control program, why has the federal government outlined its program on the basis of an 8 per cent inflation factor for the first year of the program?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if I can respond to the remark made by the hon. gentleman with regard to the program, I have said that all provinces have indicated that they support the line that the federal government has taken. I hope he will not attempt to misrepresent, either in this House or outside, the fact that we do have this general support for the program and the method to be followed. In Quebec, as a matter of administration, that particular body may decide otherwise; that is inherent in letting each province exercise its own jurisdiction. It seems to me that I find in his remarks criticism of the fact that we have given the provinces this option, and that in the exercise of this option the provincial tribunal might find otherwise.

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TRANSPORT

FREIGHT RATES—APPLICABILITY OF ANTI-INFLATION GUIDELINES TO REGULATORY BODIES

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a further question for the Minister of Transport regarding the anti-inflationary policy. In view of the press release by the Minister of Transport on November 14 under the heading "railways to be subject to inflation guidelines", and in view of the legal precedent established last winter when the appeal court reversed the decision of the CTC respecting livestock freight rate increases, is the government not misleading the Canadian public in its white paper guidelines by advising federal government regulatory agencies to employ powers that they do not have? Surely, the government must have known this.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I find it a little difficult to handle that question.

Some hon. Members: Oh, oh!

Mr. Lang: Hon. members who find that amusing may try and explain the question to me because it is certainly not very understandable in its form, and I say that with all respect.

The position of the government is that certain regulatory agencies have powers in relation to rates, and those may be employed in applying the anti-inflation guidelines. In addition to that, in the case, for instance, of rail rates and the CTC, to which the hon. member may be referring, the CTC does not have regular or ordinary power to object to, or interfere with, rates filed by the railways. But, of course, the CTC can assist in the determination of whether or not the 95 per cent margin rule is being followed, as an example, or whatever other rules the guidelines dictate. In those circumstances, the CTC may draw this to the attention of the administrator as soon as he is in a position to act, and he will have power to act under the bill now before parliament.

Mr. Hargrave: A supplementary question, Mr. Speaker, which I will address to the Minister of Finance. In view of the remarks of the minister in this House on November 14, as recorded at page 9081 of *Hansard*, respecting the CTC decision on November 3 in regard to the British Columbia Telephone Company, that "cost of services to Canadians can be effectively controlled", I ask the minister whether, if the CTC is not able to enforce the guidelines, the Anti-Inflation Board will indeed be the authority that will really carry out the guidelines respecting livestock freight rates?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it is quite true with regard to the regulation of telephone rates that the CTC has been given the specific responsibility of setting the maximum rates chargeable by any company. It was in the exercise of this jurisdiction in applying the guidelines under the anti-inflation program that the commission has reduced the application of the British Columbia Telephone Company. As the hon. member knows, the CTC does not have the power under the laws, as I understand it, to reduce rates in any particular case. It could well be that under those circumstances an application to the Anti-Inflation Board might be appropriate for the purpose of regulatory control.

* * *

● (1420)

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON APPOINTMENT OF A MEDIATOR

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, considering that the discussions between the post office and postal workers have obviously broken down, a fact which I think was confirmed in the debate last night, and

in view of what the Prime Minister said in the House yesterday that at this point, to use his words, the government would not consider appointing a mediator, I should like now to ask the Prime Minister whether the government today would consider appointing a mediator in that dispute, giving that individual a 72-hour time limit within which to conduct mediation and bring forward a report and recommendations on his findings, providing he does not obtain an agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the leader of the NDP will realize, the appointment of a mediator in a sense implies that the government would be prepared to modify its position. The NDP leader knows that because of the anti-inflation guidelines we are limited in the maximum amount of monetary benefits we can offer at this time. We have gone to that limit and I think it would be misleading the people to name a mediator with that implication. If that implication is not there, I fail to follow the reasoning of the hon. member. Negotiations have reached a state of impasse and there is a strike on. The hon. member knows that this has happened in thousands of cases before where there have been strikes. If, for reasons of the greater good of Canada and of the economy, we cannot modify upward our proposal, there does not seem to be any gain in the nomination of a mediator. I must say that the New Democratic leader did not make the case any better by suggesting increases which would total something in the area of 52 per cent.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I rise on a point of clarification, and not attempting to score debating points. I respect the Prime Minister in this regard as I do not think he is attempting that either. Rather, I am trying to get to a solution. As the areas outlined for discussion would indicate that movement might have been made on either side, with no disposition on my part or that of my party to suggest that this movement ought to take place clearly in the direction of the union, and in view of the fact that the minister said in the debate last night and outside the House that there were non-monetary matters the government might be prepared to move on, and considering that talks are now deadlocked and with no presumption in respect of what a mediator would recommend, I should like to direct the question again to the Prime Minister. Given the open-ended nature of this assignment to a mediator with a specified time limit of 72 hours, does the Prime Minister not think this attempt would now be worth making?

Mr. Trudeau: Mr. Speaker, if the New Democratic leader is concerned with non-monetary matters I can practically give him the assurance that the Postmaster General would be prepared to sit down with the union anytime to discuss those matters.

Some hon. Members: Hear, hear!

Mr. Trudeau: I realize and appreciate the interest of the New Democratic leader in seeing this strike, which is of great inconvenience to the Canadian people, brought to an end. That is why I say quite clearly that the Postmaster General, who is nodding his assent, is prepared to meet with the union as far as non-monetary matters are concerned. As far as monetary matters are concerned, I think the NDP leader must realize that we have to bring inflation under control and we cannot bring it under control unless we have the support of all sectors of the economy, and that cannot be forthcoming when we have suggestions for increasing monetary benefits such as the NDP made last night.

Mr. Broadbent: One final supplementary question, Mr. Speaker, which I suspect will be futile. In view of the fact that discussions are not taking place now on either monetary or non-monetary matters, is the Prime Minister saying that the minister is now prepared to sit down in an open-minded way—

Mr. Mackasey: I always was.

Mr. Broadbent: —and discuss the issues which are currently in dispute, or is he saying that he agrees with the Postmaster General, that what we need now, as he said in the House last night, is one good, long strike, and let us get it over with?

Mr. Speaker: A supplementary by the hon. member for Témiscamingue.

* * *

[Translation]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—DIFFERENCE BETWEEN INCREASES IN WAGES AND PRICES OF PRODUCTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question for the Prime Minister.

The Prime Minister has just stated that a supplementary monetary benefit would amount to 52 per cent. If the 52 per cent increase becomes effective, it fully and directly comes under the cost of goods. After deduction of personal income tax at a 30 per cent rate, the real increase is only 37 per cent to pay for the 52 per cent added to prices. So how does the Prime Minister expect workers to keep up with prices in Canada?

Right Hon. P. E. Trudeau (Prime Minister): This will be achieved in a very simple manner, Mr. Speaker. When we propose in the forthcoming year salary hikes of 8 per cent plus 2 per cent, these 8 per cent are in fact a cost of living increase. The 8 per cent are equivalent to what we expect the Consumer Price Index will be next year. We have indicated that if the CPI is more than 8 per cent, we should allow wage-earners to catch up. All the cost increases about which the hon. member is rightly concerned, are therefore included in the consumer price index and authorized accordingly under the basic formula proposed by the Minister of Finance.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question.

I am afraid the Prime Minister does not understand what I mean. Once the government allows that increase in the worker's salary, that is 8 per cent, plus 2 per cent, that total is added to the cost price of goods without, by so doing,

creating any profit since industry will not be allowed to make any profit. But the government will continue to levy income tax on the increase of 8 per cent plus 2 per cent. So, if income tax is levied at 30 per cent or 20 per cent, which the worker does not have, he still has to pay the cost price of goods which includes the total amount. According to the government's formula, how will the worker manage to pay those prices?

Mr. Trudeau: Mr. Speaker, I understand the hon. member's question better. My reply is that, obviously, the matter of income tax is not taken into account, as the leader of the Social Credit Party indicates, in the formula of the government. But that also applies to all members of our society who have to pay income tax. In the case, for instance, of those who live off dividends, and not among the wealthiest, we tell them that dividends will not increase this year that does not mean they will not have to pay higher prices and income tax. So, once again, Mr. Speaker, our anti-inflation formula is not intended to free the people of their responsibility of paying taxes to the government, on every level; it is meant to control the inflationary spiral, and that is what we mean to do.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to ask another supplémentary question.

The prime minister does not seem to grasp my point. When the 8, 2 and 2 per cent increase within the guidelines is added to prices, the businessman is not a entitled to a profit according to the government's basic data, therefore, how could he pay taxes on non-profit activities? The industrialist or manufacturer will not since we are dealing with cost price, while the wage-earner will pay taxes on his 8, 2, 2 per cent salary increases. What does the government suggest in such a case?

Mr. Trudeau: This is getting technical, Mr. Speaker, but I believe I can answer the hon. member's question. When we say 8 and 2 per cent, this means the wage-earner will be able to receive an increment of 12 per cent, for example, since the costs have increased by 8. Yes, Mr. Speaker, the salary increase is 8 per cent, the other 2 per cent concern productivity and the remaining 2 per cent are for catching up.

Therefore, according to the hon. member's own argument, salaries went up by 8 plus 4 per cent while prices went up only by 8, therefore the hon. member will get 12 per cent to purchase something which went up by 8. That means he will be ahead.

* * *

● (1430)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF SKY SHOPS—ALLEGED PRACTICE OF GIVING GIFTS TO FEDERAL OFFICIALS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I would like to ask a question of the Solicitor General in the continuing story of Sky Shops. Can the hon. gentleman assure us that the current RCMP investigation is also looking into the practice of Sky Shops Export Ltd., and other companies involved in federal airports, making gifts to various federal officials, not only as detailed in today's issue of the *Globe and Mail* but also on a wiser scope and involving items of larger value?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am told that the RCMP is looking into all aspects of this matter.

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AIRPORTS

DORVAL—REQUEST FOR TABLING OF LETTER FROM ERIC WINSOR TO SKY SHOPS RELATING TO EXTENSION OF LEASE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Minister of Transport. Has he perused the letter from Eric Winsor, an official of the Department of Transport, to Sky Shops stating that they should desist from applying pressure in Ottawa for the extension of the lease, but rather should negotiate through local channels in Montreal, as was the case with all the other concessionnaires, and would he table this letter together with all other correspondence from Mr. Winsor?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not think I have seen that letter.

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ADMINISTRATION OF JUSTICE

QUEBEC CRIME PROBE—JUSTIFICATION FOR CHALLENGING CONSTITUTIONALITY OF COMMISSION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Justice. Why is the federal government attempting to stop the crime probe resuming right now in Montreal?

Mr. Speaker: Order, please. It seems to me to be precisely the question that was answered by the Minister of Justice yesterday.

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[*Translation*]

OLYMPIC GAMES

CONSULTATIONS WITH QUEBEC TO ENSURE FINANCING OF GAMES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is directed to the President of the Treasury Board.

Has the minister or any other official in his or any other department been in contact with the Quebec government concerning the new Quebec bill to ensure the financing and holding of the 1976 Olympic Games? What about the further indirect financing sources which might be developed between Ottawa and Quebec and referred to yesterday by the Quebec Minister, Mr. Goldbloom?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we are fairly regularly in touch with the

Quebec government and the city of Montreal on this matter. However, the federal government does not intend to introduce further legislation to amend the financing formula of the Olympic Games at this time. I understand that my colleague, the Postmaster General, announced last week a plan designed to improve some programs which have already been put forward by his department to help the self-financing of the Olympic Games and this, within the framework of the policy already worked out by the government.

CONSULTATION WITH UNITED STATES ON BORDER SECURITY ARRANGEMENTS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, with regard to the Olympic Games, I should like to put a supplementary to the Solicitor General.

In view of the most recent decision of the American Treasury to reduce quite substantially, if I am not mistaken, the funds appropriated for customs stations along the Canada-U.S. border and traffic control between our two countries, can the minister assure the House that the security of the 1976 Games will in no way be affected? And can he indicate if, since that statement was made, there have been any discussions in this regard with his U.S. and Quebec counterparts?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the story which appeared in the press has not yet been confirmed by American authorities. The RCMP will be in touch with them about this, but in any case we intend to have as effective a security on our part as is necessary to combat any terrorist activities at the Olympics.

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ADMINISTRATION OF JUSTICE

APPLICATION FOR NEW TRIAL IN CASE OF KEITH LATTA—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a very serious question to put to the Minister of Justice.

Some hon. Members: Oh, oh!

Mr. Woolliams: It is in reference to Keith Latta, a Queen's University law professor who was convicted of murder on circumstantial evidence by the Supreme Court of Alberta, a judge sitting with a jury. In light of the fact that there has been much publicity and serious concern by people, including lawyers, that not only was this a conviction on circumstantial evidence, which is always dangerous, but evidence has come to light since the jury rendered its verdict, which can be found in the file of the department of the attorney general of Alberta, has the minister personally reviewed the depositions and has a decision been made on the application by Mr. Latta's lawyer for either a new trial or a hearing?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, apparently an application was made under section 617 to my predecessor. The department has carried out a detailed examination of the material available to them, but I have not yet personally rendered a decision on the application.

Mr. Woolliams: In light of the fact that the conviction was on circumstantial evidence and the law governing the same is very complicated, as the Minister of Justice knows, and difficult even for a lawyer to understand let alone a jury, and in light of the fact that additional evidence has come to light favourable to the accused to the effect that the deceased was allegedly threatened by known or unknown people in reference to a debt owing to a gambling joint in Las Vegas, would the minister give the case his personal attention and study it very carefully? I ask him to consider very seriously ordering a new trial in reference to this matter as it was a conviction on circumstantial evidence.

Mr. Basford: Mr. Speaker, I recognize the seriousness of the situation, of course, and I will act in a way that the hon. member asks me to. I will certainly make a decision on the matter when it is fully reviewed.

ALLEGED REFUSAL OF NEW TRIAL FOR KEITH LATTA

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I should like to ask the Minister of Justice whether he is prepared to make a statement on motions or otherwise in the House of Commons indicating the reasons the Department of Justice refused a new trial in the case of Latta.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the Department of Justice has not refused a new trial. A decision under section 617 is my decision which has not yet been made.

* * *

[*Translation*]

AIRPORTS

SUGGESTED REALLOCATION OF PICKERING FUNDS TO CONSTRUCT FACILITIES IN NORTHWEST NEW BRUNSWICK

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I wish to put a question to the hon. Minister of Transport.

In view of the decision to interrupt the construction of a second airport in Toronto (Pickering), can the Minister of Transport tell me if the funds appropriated to the initial stage of this project could now be used to construct or improve airport facilities in those areas of the country still not providing essential air services, for instance, in northwest New Brunswick, where the need for a decent airport is particularly urgent?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is no precise question of reallocating money from one airport toward another, but the question of airport facilities for north New Brunswick is being studied and I expect a report on the question very shortly.

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—DATE OF ADVICE TO MINISTER ON RATE OF INFLATION AND WAGE INCREASES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the CBC news report last night that the minister's advisers had predicted that the inflation rate will not be substantially changed or affected by the new controls program, may I ask whether or not he had that advice from his advisers prior to the cabinet's decision on controls?

Hon. Donald S. Macdonald (Minister of Finance): I did not see the report personally, but it was reported to me and I checked with my advisers who indicated to me that they had made no such forecast. They have been having discussions with various provincial governments and with others with respect to a number of possible cases and certain eventualities, but in no sense were they forecasting a specific figure for 1976.

● (1440)

Mr. Nystrom: I should like to ask the minister whether the reported forecast that the percentage increases in wages would be less was an accurate forecast in the report last night, and if it was, does the minister still believe that wages are a major cause of inflation? If not, does he intend to amend the guidelines?

Mr. Macdonald (Rosedale): As I pointed out, what they are talking about there, if it is the document which the department has in mind, they are talking about examples rather than making forecasts.

* * *

COMMUNICATIONS

DIFFICULTY OF MEMBERS IN COMMUNICATING WITH CONSTITUENTS BY TELEPHONE—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am having difficulty finding the right minister, but I shall direct my question to either the Minister of Communications, the Prime Minister, the House leader or the Acting Minister of Communications. In view of the fact that there is a postal strike in progress and that hundreds of thousands of people across Canada cannot get in touch with their members of parliament through other means, is there anyone who can give an answer to a member of parliament who is trying to get back to constituents, and who cannot get through because of the postal strike? Is there anyone who can do something about this stupid and inadequate telecommunications agency on the hill and provide more lines with which to communicate with Canadians?

Some hon. Members: Hear, hear!

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, hon. members opposite like to talk but they do not like to listen.

Some hon. Members: Oh, oh!

Mr. Fleming: As I reported to the hon. member during the late show a couple of nights ago, the telephone system in Ottawa, especially relating to the House of Commons, is now in the process of being expanded so that it will not only take the existing loads, which have been very heavy because of the problem of the postal strike, but also so that it will have some room left for expansion over the next several years.

Some hon. Members: Hear, hear!

Mr. Marshall: Because I have been hearing the story since 1968 that it is going to be improved, and because people in isolated areas in Canada cannot participate in Canadian activities, is there anyone opposite who can provide an answer and provide a service to all Canadians in Canada?

Mr. Speaker: Order, please. The hon. member for Fundy-Royal.

* * *

ABORTION

PETITION FROM LE RÉSEAU D'ACTION DE QUÉBEC—GOVERNMENT RESPONSE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Justice. Did the minister receive a deputation and a petition from Le Réseau d'Action et d'Information pour les Femmes about removing abortion from the Criminal Code and if so, how did the minister respond to that petition?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I received the delegation for about an hour this morning. I discussed this whole subject with them. I gave them the terms of reference of the Badgley committee. The delegation was possessed of a good deal of knowledge about the whole question, and I suggested they should contact the chairman of that committee, and apart from giving me the information, provide the chairman of the abortion study committee with the same information. I also suggested that they might want to locate a private member in the House who would table the petition in the House, as has been done with petitions on similar matters in a similar way.

* * *

FINANCE

GOVERNMENT POSITION ON INTRODUCTION OF FISCAL AND MONETARY REFORMS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Prime Minister.

Mr. Guay (St. Boniface): He's back again. He is a one day a week man.

An hon. Member: How is the campaign going?

Some hon. Members: Oh, oh!

Mr. Grafftey: Is it the view of the Prime Minister that in order for the restraint program of the government to work we must have immediate fiscal and monetary reform? If so, when is it the intention of the government to present specific measures before the House to stimulate the private sector and to get the economy moving again?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member recalls the white paper which was tabled a month ago, he would know that the fiscal and monetary policy is referred to there. We are continuing the general posture we adopted on fiscal stance in the budget of last June, which as the House knows, is a rather expansionary one and therefore intended to encourage continued growth in Canada.

On the monetary side, of course adjustments are made from time to time. The hon. member is aware that the Bank of Canada increased the bank rate in the month of September to nine per cent in an effort to ensure that there not be an inflationary rate of expansion of money.

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CANADIAN PACIFIC RAILWAY

RESTORATION OF RAIL SERVICE TO GLENWOOD AND HILL SPRING—REASON FOR DELAY

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I should like to direct my question to the Minister of Transport. In answer to my question in this House on November 7 regarding restoration of rail service to Glenwood and Hill Spring, the minister informed me there may be a requirement and a role for the Canadian Transport Commission. Since that time the CPR has notified Mr. Harold Boucher, President of the Chamber of Commerce in Magrath, that it is awaiting word from the CTC. Would the minister inform the House where the confusion lies, since the CPR says the bridge has to be restored in order to provide service?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is not very much confusion about the fact that the bridge has to be restored if service is to be provided. The question is the cost of the bridge and alternative ways of providing adequate service in the area. With the CTC we have been considering the question of the use of trucks immediately to move grain from that area, and some steps are going forward toward this end.

Mr. Hurlburt: In view of the fact the minister has stated that the bridge has to be repaired, would he inform the House why the CPR hauled 15 loads over the bridge but now refuses to haul any more and has cut off service to people in the area?

Mr. Lang: I am not sure at which stage the hon. member refers to the materials having been hauled. As I understand it, the bridge is not safe for service and therefore cannot be used to provide service in the ordinary course.

[Mr. Guay (St. Boniface).]

COMMUNICATIONS

CABLEVISION—REQUEST THAT COMPANIES BE GIVEN CHOICE OF TELEVISION STATIONS

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the parliamentary secretary to the Department of Communications, in the absence of the minister.

Some hon. Members: Oh, oh!

Mr. Philbrook: Or a minister.

Some hon. Members: Oh, oh!

Mr. Philbrook: Is there any influence the ministry can exert on the CRTC to afford more flexibility to local cable vision companies regarding their choice of TV stations so that communities can have the choice of watching the programming they prefer, such as educational TV?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, quite frankly, no. This is within the jurisdiction of the CRTC, but interested parties can go before the CRTC, particularly when licensing of cable operations comes before that body, to make clear their views.

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SOCIAL SECURITY

POSSIBILITY OF INCREASE IN AMOUNT OF OLD AGE PENSION AND CHANGE IN INDEXING FORMULA—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the fact that it is almost 2½ years since there was any change in the basic amount of either old age security or the guaranteed income supplement, and in view of the fact that senior citizens are not enabled by the indexing formula now in effect to keep up either with the cost of living or the standard of living, may I ask whether the government will consider at this session an increase in the basic pension amounts set out in the Old Age Security Act?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, contrary to what the hon. member stated the basic amount paid under old age pension has gone up regularly during the past two years and more particularly it continues to do so every three months under the escalation clause provided in the legislation. Indeed, a new increase is expected on January 1 next.

[*English*]

Mr. Knowles (Winnipeg North Centre): Even though the minister did not answer my question about an increase in the basic pension rates, may I ask with respect to the indexing of pensions whether the government is considering changing the formula so that escalation will be up to date and will be related to the costs of those goods and services which pensioners actually have to buy?

[*Translation*]

Mr. Lalonde: Mr. Speaker, the question has already been considered. As the hon. member knows, Statistics Canada is now reviewing the basis under which the consumer price index is determined. However, I say once again to the hon. member that if we were satisfied with relying on those services which the elderly buy in preference to others, in some cases the increases might well be lower than those now granted under the consumer price index.

* * *

INCOME TAX ACT

SUGGESTED AMENDMENT TO PERMIT DEDUCTIBILITY OF COST OF WORKERS' TOOLS—GOVERNMENT POSITION

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

Within the framework of the fight against inflation conducted by the Canadian government and in order to help workers in the low or average income bracket, who are the first victims of inflation, does the Prime Minister intend to submit to his cabinet amendments to the Income Tax Act so as to permit deductibility, minus depreciation factor, of cost of tools used by and necessary to workers who earn their living with them, such as mechanics and workers in the building trades?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is already a provision in the Income Tax Act providing deduction of a given amount that workers can use to deduct the cost of these tools from their taxable income. If the hon. member's suggestion goes beyond the present situation, I take note of it to discuss it with the Minister of Finance, so that he may consider it in his next budget.

* * *

● (1450)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF REDUCTION IN SERVICES IN WESTERN PROVINCES—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Solicitor General. Was the Minister of Justice indicating the Solicitor General's policy regarding the RCMP when the Minister of Justice told the western provinces last week, as reported, that in future they would have to get along with a very drastic reduction in the services of the RCMP and that attorneys general had been given three weeks to comment to the minister?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I doubt if the Minister of Justice said that. He and I were in Edmonton last Friday, to discuss several matters with the provincial governments, including the new RCMP contracts. We propose a new sharing formula for double task RCM policemen who are to carry out federal and provincial duties in the provinces. We did not say personnel would be reduced. Actually, we hope to increase the numbers of personnel in those provinces.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker. Notwithstanding what the minister said, do those proposals indicate that there could be a serious reduction in RCMP services available to the provinces? I am thinking of the RCMP being used either as provincial police or, in some cases, municipal police.

Mr. Allmand: Mr. Speaker, no, the proposals did not in any way indicate any reduction in services. Some provincial ministers said that some municipalities may not want to continue with RCMP services if there is to be a 2 per cent increase in cost; but we did not indicate we would withdraw or reduce service. Actually, in many respects we hope to increase services.

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TRADE

REQUEST FOR REDUCTION IN CHEESE IMPORT QUOTAS

Mr. John Wise (Elgin): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and relates to the serious state of the Canadian cheese industry. As in the last ten years Canadian cheese exports have fallen from about 32 million pounds annually to about 12 million pounds, and cheese imports risen from 15 million to 50 million pounds, can the minister indicate when he will announce a decrease in Canada's cheese import quotas?

Some hon. Members: Hear, hear!

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not in a position to announce this today although, as was indicated by the reaction from my side of the House, I am under considerable pressure from hon. members on both sides to re-examine this matter. I am now in the process of so doing.

* * *

INQUIRY OF THE MINISTRY

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is directed to the Minister of National Health and Welfare and relates to his decision, as leader of the Liberal party's Quebec wing, to solicit donations directly from executives of supposedly—

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

* * *

IMMIGRATION

REFUSAL OF ENTRY PERMITS TO KNOWN TERRORISTS—AUTHORITY FOR PERMIT TO SHAFIK AL-HOUT

Mr. Jake Epp (Provencher): Mr. Speaker, my question is for the Minister of Manpower and Immigration and relates to his answer to the hon. member for Saint-Hyacinthe, to

the effect that we will not allow known terrorists to enter Canada. Can the minister indicate under whose auspices a minister's permit was granted to Shafik Al-Hout and if security checks indicate he is not a known terrorist or member of a group promoting international terrorism?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I indicated to the hon. member for Saint-Hyacinthe—and this was repeated by the President of the Privy Council—that the policy has been long established and most recently repeated as to how such ministers' permits are granted. The PLO is considered a prohibited organization, but members of the PLO who are not themselves known terrorists are not denied ministers' permits. They require them, and they are granted when the person concerned is invited by a reputable Canadian organization and if the visit is to be for a short, specific period. The person in question was examined under these criteria. As reports indicated that he, himself, was not a known terrorist, he was permitted entry for a specific period, and the purposes of entry were known.

* * *

TRANSPORT

FREIGHT RATES—DISPARITY BETWEEN RATE ON APPLES FROM OKANAGAN TO EASTERN CANADA AND RATE FROM STATE OF WASHINGTON

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Transport. In view of the refusal of the CPR last week to do anything about the disparity in freight rates between Okanagan apples and Washington apples, and as the loss to B.C. apple producers shipping to eastern Canada is to be a projected $318,000, will the minister take action to rectify this unfair competitive advantage in favour of United States apple producers?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the minister has no power under the present law to take action.

* * *

[Translation]

AIR TRANSPORT

GOVERNMENT POLICY ON USE OF FRENCH IN AIR TO GROUND COMMUNICATIONS IN QUEBEC

Mr. Pierre De Bané (Matane): Mr. Speaker, I would like to put a supplementary to the Minister of Transport.

Since all countries of the world use their official language or languages in air transport and communications, besides English, could the minister tell the House what is his policy regarding the use of French in the province of Quebec, considering the instructions his department sent recently to the various control towers in the province of Quebec?

[English]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, without quite accepting in its entirety the premise of the question, I confirm that the use of the French language has been permitted on VFR flights in relation to five airports in Quebec. The question of any move relating to IFR flights at other airports is being studied in relation to the safety factors involved. Certainly, at this time IFR flight communications are conducted in the English language only. There has been general approval to move in the direction of French and English advisory communications in Quebec and steps in that direction will be taken as soon as possible.

* * *

GRAIN

POSSIBLE DEFERMENT OF INCOME TAX ON RETURNS FROM GRAIN SOLD ON CASH BASIS—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister in charge of the Canadian Wheat Board. Considering what the parliamentary secretary said in Regina on November 10 about the mailing of the 1975 and 1976 Canadian Wheat Board adjustment cheques, may I ask the minister if the grain producer is to understand that the minister will not allow an election for tax purposes with regard to grain that was sold on a regular cash purchase basis?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it would be impractical to permit individual producers to adopt a different tax position in relation to their specific cheques. We have decided to defer until January 1, and therefore to the 1976 taxation year, the adjustment cheques in relation to those who deferred their initial price. In the case of the others, the general wish of farmers, as confirmed by the recent vote of the Saskatchewan Wheat Pool, is that the cheques should be issued as soon as possible for the 1975 year, and that is planned. Contingency plans are going forward, to assure that the cheques can be delivered to farmers if the mail strike continues.

● (1500)

ROUTINE PROCEEDINGS

[English]

INCOME TAX ACT

AMENDMENT RESPECTING AWAY-FROM-HOME EXPENSES

Mr. Doug Neil (Moose Jaw) moved for leave to introduce Bill C-417, to amend the Income Tax Act.

Some hon. Members: Explain.

Mr. Neil: Mr. Speaker, the purpose of this bill is to clarify the matter of away-from-home expenses for taxpayers who are employees of persons whose principal business is passenger, goods or passengers and goods transport and the duties of employment require them regularly to travel away from the place to which they would normally report for work.

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

[*Translation*]

Mr. Speaker: Order, please. The hon. member for Sainte-Marie on a point of order.

* * *

ADMINISTRATION OF JUSTICE

PETITION FOR CHANGES IN ABORTION LAW—RELEASE OF DR. MORGENTALER

Mr. Raymond Dupont (Sainte-Marie): Mr. Speaker, I have the honour of presenting a petition including about 5,500 signatures and requesting the repeal of the present abortion legislation, so that abortion be removed from the Criminal Code; the immediate release of Dr. Morgentaler and the cessation of all proceedings against him and against others on the same grounds; the creation of medical clinics where interruptions of pregnancy could be done in all security and in healthy conditions, once the woman involved has made her decision in conscience. This petition was given to me by Le Réseau d'Action et d'Information pour les Femmes.

Mr. Speaker: Order, please.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,982, 3,209, 3,285 and 3,286.

[*Text*]

SECRETARIAT BUDGET

Question No. 2,982—**Mr. Clark (Rocky Mountain):**

For each of the fiscal years (a) 1971-72 (b) 1972-73 (c) 1973-74 (d) 1974-75 (e) 1975-76 what was the budget of the (i) Assistant Secretary for Security and Intelligence (ii) Government Operations Secretariat (iii) Priorities and Planning Secretariat?

Hon. Mitchell Sharp (President of the Privy Council): (a) See Note 1.

	(b) 1972-73	(c) 1973-74	(d) 1974-75	(e) 1975-76
Assistant Secretary for Security and Intelligence	196,242	217,575	241,973	243,000
Government Operations Secretariat	92,090	138,442	179,819	205,600
Priorities and Planning Secretariat	226,764	226,370	245,519	325,000

NOTE 1: In fiscal year 71-72, financial records were maintained for the complete office rather than on a secretariat basis.

NOTE 2: The figures given in (b), (c), (d) and (e) include cost relating to salaries, travel expenses and professional and special services. (b), (c) and (d) are actual expenses while (e) is the 1975-76 forecast.

NATIONAL HEALTH AND WELFARE—NUMBER OF BILINGUAL POSITIONS IN FREDERICTON

Question No. 3,209—**Mr. Howie:**

How many positions are there in the Department of National Health and Welfare office in Fredericton, New Brunswick (a) how many are designated as bilingual (b) what are the positions?

Hon. Marc Lalonde (Minister of National Health and Welfare): Seventy-six continuing full time position. Ten term positions. (a) Twenty. (b) Canada Pension Plan: District Manager; Social Allowance and Services: Eligibility Clerk; Income Security: Regional Director; Secretary to Regional Director; Information Clerk; Field Officer; Registry Clerk; Typist; Generalist Clerk (4); Chief, Family Allowance; Supervisor, Family Allowance; Supervisor, OAS; Processing Clerk (3); Chief, OAS/GIS; Processing Clerk, Term.

● (0000)

DEDUCTIBLE EXPENSES FOR CIGARETTE ADVERTISING

Question No. 3,285—**Mr. Peters:**

For the year 1974, what was the approximate amount allowed to each tobacco company operating in Canada as deductible expenses for cigarette advertising?

Hon. Jack Cullen (Minister of National Revenue): Data on deductible expenses for cigarette advertising is not compiled as a general statistical item. In any case, release of such information on a single corporation would be prohibited by Section 241 of the Income Tax Act.

CONSUMER AND CORPORATE AFFAIRS—MINISTER'S SPEECH

Question No. 3,286—**Mr. Cossitt:**

Did the Minister of Consumer and Corporate Affairs print at public expense and on Department of Consumer and Corporate Affairs paper a speech entitled "Notes for a Speech by The Honourable André Ouellet on the Third Reading of Bill C-2" and, if so (a) how many copies were printed (b) what was the total cost (c) what are the reasons justifying this expenditure when the speech could be reprinted from *Hansard* in the usual manner (d) to whom were they distributed?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): (a) Yes, 800 English; 300 French. (b) $165. (c) The speech was never delivered in the House of Commons. Due to the time limit, the Minister was unable to speak on third reading of Bill C-2. For this reason, his prepared text was circulated to enable those interested to have additional information on this important Bill which is of concern to the Canadian public. (d) Members of the House of Commons and Senate, the Press Gallery, National Press Building, Canadian Press, United Press, Ottawa daily newspapers, CBC, Information Canada and Directors of Consumer and Corporate Affairs.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,143 could be made an order for return, this return would be tabled immediately.

[*Text*]

LIP—APPLICATIONS FOR CONSTITUENCY OF PEMBINA

Question No. 3,143—**Mr. Elzinga:**

1. How many applications were submitted under the Local Initiatives Programme for the Constituency of Pembina in (a) 1972-73 (b) 1973-74 (c) 1974-75 (d) 1975-76?

2. What were the names of the organizations that applied for a grant and what was the amount of money they requested in (a) 1972-73 (b) 1973-74 (c) 1974-75 (d) 1975-76?

3. Which organizations received grants and in what amounts in (a) 1972-73 (b) 1973-74 (c) 1974-75 (d) 1975-76?

Return tabled.

[*English*]

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

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ANNUITIES IMPROVEMENT ACT

MEASURE TO INCREASE RATE OF RETURN ON GOVERNMENT ANNUITY CONTRACTS

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved that Bill C-75, to increase the rate of return on government annuity contracts, to increase their flexibility and to discontinue future sales thereof, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, in the 67 years since its inception, the Government Annuities Act has given Canadians some guarantee of financial security for their old age. The other day the hon. member for Winnipeg North Centre (Mr. Knowles) told me this act was given second reading the day he was born.

The benefits provided by the annuities program filled an important void in those early days when there was an obvious lack of retirement plans and programs. We have to remember that we did not then have old age pensions, the Canada Pension Plan or the many private pension plans we have today. Due to the many initiatives undertaken by governments and the private sector, we have come a long way since then toward ensuring the basic economic welfare of the retired citizen. During the past decade, various government and private pension plans have been developed and are constantly being revised to keep pace with the demands of changing circumstances. It was with these considerations in mind that the government announced its intention in the last budget to introduce the bill which is now before us.

This act, called the Government Annuities Improvement Act, will, among other things, increase the rate of return on government annuity contracts to 7 per cent per annum, increase the range of their flexibility and discontinue future sales of annuity contracts. It will bring government annuity contracts up to date so that present annuity contract holders—there are some 280,000 of them—will no longer be subjected to the relative disadvantages of the present contract interest rate structure which varies from 3 per cent to 5¼ per cent. Raising the interest rate to 7 per cent brings their rate of return closer in line with rates offered in the private sector.

I would like to emphasize, however, that the annuities account should be regarded as an investment portfolio accumulated over the years where interest rates could vary from 4 per cent to the current 9 per cent or 10 per cent. The average yield would be situated somewhere between these two extremes. Consequently, the 7 per cent rate is based on a close study of the current yield on various public and private investment portfolios.

Our objective was to determine a rate of return in line with comparative investment yields and one that can be expected to remain current for some time. For example, if you examine the average yield on composite funds of life insurance companies operating in Canada, you will find that in 1974 it ranged from 7.1 per cent to 7.8 per cent. To be on a comparable basis with the government annuities where the government pays the cost of administration, these figures should be reduced by one-half per cent for administration expenses to 6.6 per cent from 7.3 per cent.

Even if you project these figures upward for 1975 by 0.2 per cent to 0.3 per cent, members will note that the 7 per cent rate proposed in this act is still in line and is even somewhat above the average rate of 6.5 per cent on the total national debt and the effective yield of 6.8 per cent on the government superannuation account. Though a 7 per cent rate is reasonable by current standards, it must be easily adjustable in the future. Accordingly, the rate of return will be subject to periodic review depending on future fluctuations in interest rates.

Let me give a few details about how the new rate will be applied to both matured and unmatured contracts in order to illustrate the effect of the change. For the 106,000 persons with matured contracts, the contract rates presently range from 3 per cent to 5¼ per cent, and percentage increases in actual payments under this act would range from 32 per cent to 10 per cent, respectively. The average percentage increase in annuity payments would be approximately 22 per cent. Because the new rate is retroactive to April 1, 1975, it will mean there will be a back payment for holders of matured annuities.

There are about 175,000 persons with deferred contracts valued at $640 million, that is, with contracts that have not yet matured. From April 1, 1975, these contracts will earn 7 per cent on the accumulated premiums and interest. For most contracts, the annuity at maturity will be increased accordingly. However, in the case of about 150 pension plans covering some 45,000 persons, the allocation of the increase must be decided by the terms of the plan itself.

● (1510)

To illustrate the effect if the increased interest rate is maintained, we can take the example of 4 per cent contracts not covered by special pension plan arrangements: there would be a 33 per cent increase in the annuity if it matures in ten years and a 77 per cent increase if it matures in 20 years. In addition, at maturity the annuity payment would also be increased in the same way as for the matured contracts.

One consequence of these changes is the need to raise the current $1,200 ceiling on annual annuity payments in order to accommodate the effects of the increased interest rate. This, too, as hon. members will note, is provided for in the bill. The cost of the 7 per cent increase in the rate of return is estimated to be an additional $38 million for the 1975-76 fiscal year, but we have estimated that the total additional cost to the government will slowly decrease in future years as more annuities mature.

The second major aspect of the bill reflects the proposal that no further annuity contracts will be sold after the act comes into effect. This will apply immediately to individual and group contracts. However, new registrations would be allowed covering existing employer-sponsored group contracts during the three years ending March 31, 1979, to give employers adequate time in which to make alternate arrangements with the private sector.

Our decision to cease further sales of annuity contracts is not based simply on the confidence we have in the servicing abilities of private and public institutions. More fundamentally, it springs from recognition and acceptance of the reality that average yearly sales of government annuities have been decreasing steadily over the past 27 years to a point at which only 11 new contracts were sold last year. Obviously, other public and private enterprises have been doing their job reasonably well and the need for a government program of this type has largely disappeared. Nevertheless, as I indicated earlier, we shall continue to administer existing contracts, and that will take us well into the twenty-first century because of the unelapsed time applying to so many of them.

The bill also provides for a number of housekeeping changes; some solutions which have been developed to deal with problems which have arisen in the past. By and large, these changes are self-explanatory, though I shall be glad to deal with them in more detail if requested during the committee stage.

To sum up, Mr. Speaker, I call your attention to the fact that this step to enrich annuities is unprecedented and it is not legally required of the government. There are many people who have some part of their investments locked into low-interest rate bonds, mortgages, and so on. Nevertheless, I think we all agree that government annuities are a special case. No one could have foreseen the current interest rates at the time the contracts were entered into, and the government now intends to protect in this fashion the investments of those individuals who had the foresight to provide for their retirement.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, this bill arose out of an announcement in the June 23 budget that legislation would be introduced to increase the interest paid on government annuities held by some 270,000 Canadians. We welcomed this announcement in the June 23 budget. It was probably the only item in that budget which I sensed was universally accepted. It was the least the government could do for these persons, the thousands of Canadians who over the years had purchased government annuities in good faith, with the idea in mind that those annuities would yield a secure return on the investment and provide a source of income when they had left the work force.

I commend the government for taking action to recognize the needs of those who hold these annuities. Over the years during which these annuities have been offered for sale—that is, from 1908 to the present—the interest rate ran from 3 per cent to a maximum of 5¼ per cent. That is not a very dramatic increase over a span of 67 years. During that period, thousands of individuals purchased annuities to provide for their retirement and employers purchased them as a means of providing pensions for their employees. Most of those individuals, and all the pension funds with substantial holdings of annuities, have been in severe financial difficulty for a number of years. I believe it is worth noting that 82 per cent of the premiums received from individual annuity contract holders were deposited under registered retirement savings plan contracts.

I hope the action the government is proposing is a prelude to similar action in accordance with a formula designed to alleviate the plight of holders of perpetual government bonds. Many of these unfortunate individuals purchased perpetual bonds on the understanding that when the last coupon was clipped the bonds would be called. However, this was not done. All we heard from the government was the announcement that perpetual bonds would be redeemed by 1990. Mr. Speaker, these bonds would yield only 30 per cent of their face value if sold today. I urge the government to develop a conversion plan for them as soon as possible, thereby ending this rough justice.

We do not intend, Mr. Speaker, to take up much time of the House debating the bill before us. Three or four of my hon. friends will probably wish to take part in the discussion, but it would be our desire to have the bill sent to the committee of the whole for consideration there. I gather, though, that we cannot get the consent of all parties to such a course.

There are some matters, though, which we feel the minister might explain. For instance, we would like to know how the cost of the increased interest will be shown in the estimates. It has to be presented somewhere, of course. We should also like the position of short-term government employees clarified. We want to know what is intended to replace the system which has operated in the past under which they have converted these annuities, and the course of action they might be allowed to take.

As I say, we do not intend to take up much time on this bill. We are prepared to see it pass all stages today and I hope others taking part in the debate share this view. Thus we may alleviate the plight of these people. I am sure hon. members on all sides of the House throughout the past few years have had letters and communications from constituents of theirs explaining their plight. Many of these people are school teachers, clergymen, pension fund holders, all of

whom have explained the difficulty that they are having funding their pensions with the low rate of return on government annuities.

● (1520)

I commend the minister and the government for bringing in the bill and I urge them to act with all speed. Let us get the bill through committee in proper order and return it to the House so it can be passed with all possible haste.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the minister has already indicated, and as I have mentioned on one or two previous occasions, I have a lifelong interest in this legislation. However, it is not quite as long a time as my hon. friend in the back row is suggesting. It so happens that on the very day I was born, June 18, 1908, the House of Commons debated second reading and then passed through committee on the whole the bill which we know as the Government Annuities Act. Those who made up the House of Commons of that day were divided among members who thought they were getting into an area that was no business of government, and members who were proud of the fact that the government was taking a step to assist Canadians in providing for their old age.

The maximum amount of annuity that was payable under the original act which was given second reading on June 18, 1908, was $50 a month. We have come a long way since then, in many respects. The minister correctly pointed out that this legislation over the last 67 years has enabled many people to provide themselves with a measure of security in their old age. The legislation has made this possible not only through the purchase by individuals of contracts; it has also made it possible for many employers to set up employee pensions plans under the aegis of the Government Annuities Act. Therefore, I stand here today, 67 years later, and salute the members of the House of Commons who on June 18, 1908 brought this legislation into being.

Like the hon. member who preceded me, I welcome the fact that this Government Annuities Improvement Act is going to make certain improvements in Canadian government annuities. I shall have something to say on the other side of the coin in a moment or two, but first I warmly welcome the fact that for many holders of government annuities and for many persons who are receiving payments on their government annuity contracts it will be good news to hear that their payments are going to be increased.

As I understand it from the schedule attached to the bill, a schedule that is referred to in clause 5, the increases that recipients of government annuity payments can anticipate run as follows. If one is drawing payments from a contract that was based on a return of 5¼ per cent, the increase in those payments will be 10 per cent. If the contract was based on a 5 per cent rate, the increase in the payments will be 14 per cent. If the contract was based on a 4 per cent interest rate, the increase in the payments over what is now being received will be 22 per cent. A contract that was issued when the rate was 3½ per cent will give, now, an increase in the payments of 29 per cent. And, down at the bottom, if a person had a contract that was issued when the rate was only 3 per cent, the increase he will now receive in his annuity payments will be 32 per cent.

It is also to be noted that these payments are to be retroactive to April 1 of this year. I share the hope of the hon. member for Halton-Wentworth (Mr. Kempling) that this bill will not take an undue amount of time to get through, but it will not really have any effect on the amount of money the recipients of these payments will receive because whenever the bill does go through the payments will be retroactive to April 1. Also, of course, the recipients will have to wait for the postal strike to end before they get their cheques anyway. In any case, we of the House of Commons of 1975 are making a significant improvement in the legislation that was passed by the House of Commons in 1908.

May I add to what was said by the previous speaker to the effect that although the minister was justified in saying that the government was not legally required to increase payments under the Government Annuities Act, the government was morally required to do so. When the government established the principle of escalation with respect to old age security, the guaranteed income supplement, veterans' pensions and allowances, judges' pensions, members of parliament pensions, and on down the line, and then added a bonus in certain cases to payments made on Canada savings bonds, it seemed to me that the government was dragging its heels by not taking action to increase payments made under the Government Annuities Act.

I agree with the comment already made that once this has been passed, something equally worth while ought to be done with respect to those perpetual bonds of 1936. I join with all those who have said that the act of the government in declaring that these bonds will finally be called in 1996, I think it is, which is recognition that they cannot go on forever, does not really answer the problem for those who have held these bonds for a long time. There are these other matters that ought to be attended to, but at the moment we are discussing the Canadian government annuities program and the provision under which there will be the increased payments by the percentages to which I have already referred. This is a decision of the government that the House welcomes and which I am sure we will support unanimously.

The other side of the coin—I should say this right away— is that although these improvements sound fairly good when reading them out, the result is that the persons on these annuities will again be put on a fixed income basis so far as their government annuity contracts are concerned. It took us a long while to win the point that retirement income should at least be geared to the rise in the cost of living, but I go further and say that it should be geared to the rise in the standard of living or rise in the gross national product. At least we have it geared to the rise in the cost of living, and that is reflected in old age security, the guaranteed income supplement payments and all the other payments I mentioned a moment ago.

● (1530)

I contend that the same should apply in respect of government annuities. I noticed that the minister made no reference to these increases being related in any way to the

rise in the cost of living. He based it entirely on what has happened to interest rates over the years. The fact is that those who have government annuity contracts and are drawing payments under those contracts are persons who are drawing them as part of their provision for their retirement years. It really hits older people very hard when the cost of living goes up and only some of the elements of their income are escalated. I think the return from government annuities ought to be treated in the same way as other forms of retirement income and a formula should be devised for the increase to take place every year in accordance at least with the rise in the cost of living. Every time I say that, I feel I must get in my point that it should be in respect of the rise in the standard of living. But we have not reached that yet; that is one of the goals we still must attain.

Indeed, this action reminds me of something that was done by the Parliament of Canada in respect of retired public servants. For many years, and I mean many years—decades, in fact—we tried hard to get an increase in the pensions paid to retired public servants. The first move in that direction was made during the parliament of 1958 to 1962 when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister. I hope the fact that what I shall say in a moment will be partly critical and will not offend my friends to the right. The fact is, that government made the first move in doing something to increase the pensions of retired public servants, and it was a good first step but it was a one-shot move. All that happened under the bill that was passed during the days of that Conservative administration was the inclusion of a provision to add a percentage to the income of retired public servants.

It was most welcomed when those retired public servants got it, but a year later, two years later or three years later they found that the situation was worsening again, so the day came in about 1969 or 1970 when the Liberal government was finally persuaded that it ought to go not just for a one-shot increase in the pensions of retired public servants but ought to establish a formula for those pensions to go up year after year in accordance with the rise in the cost of living.

I submit that the same thing is happening again. Here we have the present government doing what the Conservative government did in about 1959 or 1960, bringing in a one-shot increase in payments payable under the Government Annuities Act. But it is not finishing the job. I suggest that these payments should be put on a basis so that they will escalate, just the same as other forms of retirement payments escalate under various provisions we have made.

That is the main criticism I make of this bill. Welcome though it is, and generous though this increase may sound, if you are at the bottom of one pile and the top of the other, or vice versa, that is it: you get that increase, and the new rate that you get from your government annuity stays at that rate for the rest of your life. That is not good enough, and no one should know it better than this government because this government realized through experience that what the Conservative government had done for retired public servants, though welcomed at the time, was not good enough.

Mr. Baker (Grenville-Carleton): Don't be unkind.

Mr. Knowles (Winnipeg North Centre): My friend, the hon. member for Grenville-Carleton (Mr. Baker) seems to want it both ways. He says: "Don't be unkind". Perhaps he is telling me not to be unkind to the Liberals.

Mr. Baker (Grenville-Carleton): That's a different thing.

Mr. Knowles (Winnipeg North Centre): I think I made it clear that I was giving the Diefenbaker government credit for having made the first move in respect of pension increases for retired public servants, but it was a one-shot move that had to be improved. We have the same situation today; we have a one-shot move and I do not think it will stand up.

When you realize the government is discontinuing the sale of government annuity contracts, it seems to me this is all the more reason it should protect the position of those who have contracts under this legislation. In that connection, Mr. Speaker, I think I should go on to say that I regret the fact that the government has proposed to discontinue the issuing of contracts under the Government Annuities Act. Of course, it is not rescinding the Government Annuities Act; it will have to go on for another 50, 75 or maybe 100 years, for all I know, until all the persons who now have contracts have lived out their days. So the Government Annuities Act has to continue. But as the minister has said, once this bill is passed and becomes law, no more individual contracts will be issued except in a few cases where substitute contracts are written for those already in existence, and after March 31, 1979, no additional employees can be enrolled in any group plans already in existence.

I suppose that one of the reasons I do not man the barricades about this and really say we should not let this part of the bill go through is, of course, the fact that the government has let the position of government annuities deteriorate in relation to other forms of retirement income that individuals or companies can purchase. That reminds me of the lobby that has gone on for years against the Canada Government Annuities Act. One has only to read the debate the day the original bill was given second reading, to which I have already referred, to note there the concern that the government might be getting into business that should be the preserve of private enterprise.

I remember with particular vividness the year 1951. We had been campaigning, quite a few of us, to get the Canada Government Annuities Act improved, and in that year the government finally agreed to take action. The minister of labour of that day—the Government Annuities Act came under the minister of labour in those days—brought in a bill to amend the Government Annuities Act, making a number of improvements, putting government annuities in a position where they would be competitive with annuities and contracts that could be purchased in the private sector.

We welcomed the bill. It was a bit of a pleasant surprise to have the government make the improvements that were included in that legislation. It came in for second reading, it was passed and referred to one of the standing committees. In those days bills did not go to standing committees automatically; the rule was to deal with them in committee of the whole and it was the exception to send a bill to a

standing committee. However, this bill was sent to a standing committee.

I remember at the time wondering why it was given that treatment, but I soon discovered the reason was that there were quite a few bodies who wanted to appear and to make representations. I have never met so many insurance company heads and executives in my life, not even when we had the Canada Pension Plan before a special joint committee. They came here in force to try to persuade us that we should not proceed with that government bill which, as I say, was designed to improve the Government Annuities Act at that time.

I remember that we had a meeting of the committee one day and it looked as though we were going to lose the vote to support the bill and send it back to the House. If I can be a bit reminiscent about it, a friend of mine—he is still a friend even though he is in the other place—David Croll, was on our side and felt that this bill should be improved and we had to get it through. Between us we agreed that we just did not have the manpower in the committee, at that meeting, to win the vote se we managed to keep it going until adjournment time in order to get another meeting of the committee. David Croll assured me that there were members like the late Lionel Conacher and others on the Liberal side who were not attending that morning but whom he would get to the later meeting and we would win.

● (1540)

Sure enough, when we met the next time all the members were there and we carried the day. The bill was passed in the committee and was referred back to the House. But that was the end of it. It was reported back to the House for third reading, and when we asked the minister when we would have third reading we received no satisfaction. In other words, the insurance lobby had persuaded the government not to go ahead with the 1951 bill that would have improved the Government Annuities Act.

The minister says today that the number of sales of contracts has been dropping over the last 25 years. Well, I have been reciting something that happened 24 years ago. It is true that because government annuities have been allowed to deteriorate, the number of persons wanting to buy them has gone down greatly. That, of course, I suppose is the reason they are now to be discontinued altogether. I think this is unfortunate. I believe it would have been better to make further improvements to the Government Annuities Act so that persons who do not feel they are providing enough for their retirement through old age security, the Canada Pension Plan and other pension arrangements, could invest in their government through Canadian government annuities.

I regret very much that the ground has been prepared during these 20-odd years for the day when there would seem to be no case for continuing the sale of Canadian government annuities. So, Mr. Speaker, I regret that there are those clauses in the bill that will discontinue the sale of individual contracts and will provide for there to be no more registrations of employees, even in existing group contracts, after March 31, 1979.

The minister suggested today that this legislation over these past 67 years has helped a lot of people make provision for their old age. I agree. But the fact is that we now have other arrangements. We have old age security, the guaranteed income supplement, the Canada Pension Plan and many more employee pension plans both in the public and the private sector, and therefore the need for this now is not as great as it was in 1908 or in many of the years that followed. I agree. But if the government wishes to boast about the provisions that have been made and tell us how wonderful it is that we have the Old Age Security Act, the Canada Pension Plan and retirement pension plans for public servants, members of the RCMP and members of the armed forces, and so on, I submit the government is morally obligated to see to it that those programs are put on the best possible basis.

Today I asked the Minister of National Health and Welfare (Mr. Lalonde) whether the government intended to do anything in this session about the basic amount of old age security. I received his stock answer which was no answer at all to my question. He reminded me, as if I do not know it, that there is a quarterly escalation of old age security.

In a supplementary question I tried to remind him that that escalation is always behind and does not relate to the goods or services older people actually have to buy, and that as yet we do not have a perfect system of security for the retirement years of our people. If the government now proposes to take away this one means of retirement income that has been there for many years, it is morally obligated to make improvements in the other forms of retirement income. Therefore, I again call for a substantial improvement in the basic amount of old age security; I call for improvement in the public service pension plan and the RCMP and armed forces plans with which we are dealing under Bill C-52 before another committee. I call for action on the part of the government to get the railways of this country to put their pension plans on a better basis. I say we should not take away something that is there until we have improved the other plans that are supposed to provide for the retirement of our people.

I shall end where I began. The debate of 1908 to which I referred is an interesting one to read. The members of that day felt they were breaking new ground to be interfering at all in the provision of old age retirement. Some members were concerned. I have not taken the time to read what Their Honours in the other place thought about it, but I can guess that they found it quite shocking. We have come a long way from that day to the recognition that governments are obligated to provide for the security of our older people. I will not only agree, but assert that the Old Age Security Act, the Canada Pension Plan and other forms of benefit are much better than the Government Annuities Act itself, but I regret that it is being removed completely without more substantial improvements being made in the other forms of old age retirement income.

I welcome the percentage increases that those now drawing annuity payments will receive retroactive to April 1. I welcome the fact that in respect of contracts still in existence and not yet matured the rate will be 7 per cent as from that same date. But I regret that there is not in this legislation a formula for escalation year by year. As for the other forms of retirement income, you know, sir, and this House knows that the battle for further improvements in all our pension plans will go right on until we win.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened to the references by the hon. member for Winnipeg North Centre (Mr. Knowles) to that great parliament of 1908. He spoke with such reverence and affection that I thought I may have misread history. However, I find that I have not done so. That was the government of Sir Wilfrid Laurier; I believe he was in power at that time.

The hon. member spoke of that government with such affection that I thought perhaps he had been a member of parliament at that time. But I checked the parliamentary record while he was speaking and found that was not so. Sir Wilfrid Laurier has gone to his just reward, and the government of that day eventually went to its just reward and other governments came into play, including the party which is now the official opposition.

The whole history of pensions, the protection of the disadvantaged in Canada, whether one party or another has been in power has been a history of progress. While there may be comments made from time to time, partisan or otherwise, in front of or behind the curtains of this House, in respect of that progress, the men and women of that day who took those steps, regardless of the party to which they belonged, took them in the hope there would be improvement for those who were intended to be beneficiaries.

I think it is important to remember with regard to this piece of legislation that perhaps it marks the beginning of the end of an era. We must remember there was skepticism in the business community. It was an unusual idea in 1908 that there should be this kind of provision for one's old age; therefore, the private insurance companies and financial institutions, which are now the everyday common carriers of the type of protection the annuities are meant to provide, would not touch it with a ten-foot pole. However, the government of the day recognized that there was a problem.

● (1550)

We have progressed a considerable distance past the point where it can be said that the government is the only kind of organization that can provide adequate protection. In fact, this kind of protection against the vicissitudes of old age has reached the point at which it has become much more popular, so popular that the private carriers are deemed to be able to do this work. I think it is important because it relieves to a certain extent the government of the day from the expenditures that are necessary under a program such as this and allows it to look to other programs that are also necessary in our community.

I think it is important because there is an implicit recognition here that there is an opportunity in the private enterprise sector of our economy for that aspect of our economy to function. The government is recognizing that at least in this field they can begin to phase out in a just and equitable way the particular kinds of coverage which were intended by the government in 1908.

The hon. member for Winnipeg North Centre passed rather lightly over the opportunities for Canadians to invest in their country through investing in annuities. But that, too, is being provided for in a different way. If investment in one's country is a criterion, I think we have to look at the Canada saving bonds program which is a form of investment in one's country and in which much more flexibility is provided for the owner of the bonds, in terms of his use of the fund during the time it is required. The necessity for this kind of program is not nearly as apparent from that point of view.

I am one who supports, as a matter of principle, the indexing of pensions and I have spoken in the House about that. We will have the opportunity to deal with the whole broad field of public service pensions when we deal with Bill C-52. There is there a form of indexing, although it is not quite in the sense that has been mentioned, in that the governor in council has the right to look at the conditions and to advance interest rates if it becomes necessary and, I suppose, to advance them dramatically. The minister has indicated that conditions have become such that the government must have this power built into the regulations. The government is saying, in effect, that they really cannot predict the conditions and that the Minister of Finance will not predict or forecast what either the growth rate or the inflation rate will be—and that is one of the terrors of our time, quite frankly, for the person who has recently purchased or will purchase a government annuity as some protection against financial insecurity in old age.

What is really happening is that the government is saying in this piece of legislation that things have become so bad and so difficult that even the experts are failing to predict what the conditions will be in the business and financial communities, with all our income controls and anti-inflation programs, for senior citizens and others. Perhaps it is an admission not just of the failure of the government but of the failure of our economic system in the scheme of things. That is why the minister has seen fit to put in place some form of index—I use that word in the broadest sense—by regulation.

The fear that I and the hon. member for Winnipeg North Centre have, quite frankly, is that the event will follow the necessity for indexing and by using this kind of system the minister has taken upon himself the considerable onus of ensuring what the hon. member for Winnipeg North Centre said would happen, that is, that the increases in the return will match what is happening in the community to a great extent.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Is it not a fact that as the bill reads, the governor in council has power by order in council to vary the 7 per cent rate that applies to maturing of contracts but hardly the power to vary the escalation rates that apply to pensions which are in payment, and is that not a serious lack?

Mr. Baker (Grenville-Carleton): The hon. member is quite correct in that, and I think it is a deficiency. I was not arguing that it was not; I was merely saying that there are at least the rudiments of the beginning of some form of indexing or flexibility which is necessary. The matter to which the hon. member has addressed himself is an indication of how great the vigilance of the minister and of the government must be, because even though these annuities will apply to a smaller and smaller group of Canadians, the fact is that they are the foundation stone of many of the pension plans and retirement plans of Canadians who have nowhere else to go at this point.

We have indicated that we will not take up much time with respect to this bill. I think the hon. member for Halton-Wentworth (Mr. Kempling) said that we would be prepared to give consent to have this matter considered in committee of the whole House in order that any questions remaining may be answered and the matter cleared up today, which I think is in the best interests of the owners of these contracts. I do not think there would be controversy on this matter, and I hope such consent will be called for when the minister closes the debate.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I am glad that we are finally getting around to the business of correcting the injustice done to those people who have been holding government annuity contracts for so many years. This bill is long overdue and I doubt that we will take much time in debating a matter that should have been settled long ago. While I realize that we cannot go back in years and grant a higher rate of interest on these annuities, we might at least have gone back to January 1 of this year and not just to April 1. This would have made up a little for what these people have lost through the great increases in interest rates that we have experienced over the past ten years.

I thought the government would have set the interest rate on these annuities at 9 per cent to 9.5 per cent, the same as the current savings bonds. I do not see any difference in collecting public money by subscription, whether you call the program an annuity or a bond issue. If government savings bonds realize a rate of interest of 9⅜ per cent per annum, why should there not be the same rate of interest for another bond issue? Just because an issue is called by a different name does not mean it should qualify for a lower rate of interest. We should have taken the opportunity to do this last fall when the government set the new interest rates on savings bonds. At that time my party called on the government to establish the same interest rates for annuities as for savings bonds, but we had to wait a full year for that to be done.

● (1600)

The provisions of this bill would have been speedily passed through this House any time in the past ten years. While my colleagues and I welcome all the changes proposed in the bill, we should still like to see annuities more on a par with savings bonds. With regard to the restriction on further sales of annuity contracts, there is no likelihood of anyone opting to buy annuities, even at the new rate of interest of 7 per cent. I am pleased that the government will allow interest to accrue on annuities after the death or disappearance of the annuitant. That will at least be of some advantage to beneficiaries of annuities. However, I do not see any provision in this bill for people who are now holding annuities where the interest payments have stopped. Perhaps the government has some plan to correct this situation.

I am also pleased with the provisions which allow for more flexibility in managing the annuities, such as the provision allowing for the payment of moneys due on annuities to be paid into a registered retirement savings plan. I notice, too, that all restrictions on the changes which a beneficiary might make in an annuity contract have been removed, giving these annuities the same flexibility as other bond issues.

In conclusion, I should like to draw attention to clause 11 of this bill which allows for the future setting of interest rates for annuities by order in council. This should give to the government all the authority it needs to raise the rates from time to time as long as any of these annuities remain in existence. With these remarks, I hope we can receive co-operation from other parties in the House in bringing this long overdue legislation into effect. This will help those people who have put so much trust in the Canadian form of justice but who have been denied that justice in the field of saving for their old age.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I can make no claim, as was made by the hon. member for Winnipeg North Centre (Mr. Knowles), to having a lifelong interest in this particular form of annuity. At the outset of my remarks, however, I do declare that I have an interest in this form of annuity. While absent from Canada during the war years, when one was not able to take overseas all the pay he was drawing, or when one wished to leave something behind by way of savings, I did this and my father invested in a Canadian government annuity in the expectation that the time would come when I would draw the full $100 annuity. At that time it sounded like a very valuable form of investment.

Having declared this, I do not want to be prevented from entering this debate because, as the minister knows, the announcement in the Speech from the Throne that the government was to introduce legislation amending and upgrading Canadian government annuities aroused tremendous interest across the country. I and many hon. members of this House received many letters asking when this legislation would come forward, how much the increase would be, and when it could be expected.

I therefore concur with my colleague, the hon. member for Victoria-Haliburton (Mr. Scott), that this legislation is long overdue. The 4 per cent rate is so outdated in present-day terms that I think the government was forced by the number of supplications received from its annuitants to move. I am not sure it would have moved had there not been these letters and requests. Because of the interest this matter has aroused throughout Canada, we now have this legislation before us, but we had had it for only a week.

When I first quickly read the legislation I thought I might propose an amendment or two, either with regard to the rate of interest or to the backdating of the legislation beyond April 1, 1975. I was thinking of those who had the prudence 30, 40 or 50 years ago to set aside some small savings in the expectation that they would be receiving their annuities in full form in the 1950s, 1960s and 1970s. They could not then have realized how small the annuity would be in terms of its purchasing power. In terms of savings, the amount saved in the 1940s and 1950s and put aside for—let us say $100—the $50, $20, $25 or $28 is just about the value they are now getting out of it.

On that 4 per cent there was no saving whatsoever. I had therefore thought I might try to move back the date when it would be applicable, or suggest an increase in the rate of interest. I was deterred from doing so for two very good reasons. One, of course, is that in the present circum-

stances of restraint, and having heard the figures given by the minister when he moved second reading of this bill, that for 1975-76 alone it would mean an increase of about $38 million, if my figures are correct. To suggest another year back would at least double that figure. Therefore, I refrained from taking that course.

However, I do feel that had the government acted much earlier, the increase in the back payments to bring the annuity up to its 7 per cent rate would have been easier to agree to. I am always learning about things in parliament and I have absorbed much in the course of my being in parliament for about three years. I know that in regard to a bill involving an increase in the expenditure of money or the attachment of public funds there has to be a recommendation. The hon. member for Winnipeg North Centre may put me straight on this, but I notice there is no recommendation in this bill. I hope the bill is not defective in this respect and that we will be able to proceed with it.

I welcome the degree of flexibility attached to this bill. Clause 3(2) accords the governor in council authority to regulate in respect of an annuity the 7 per cent rate, with 7 per cent as a floor. It will never go below 7 per cent, as I read the bill. In terms of excessive inflation, it might go above that figure but never below. That suggests, as the hon. member for Winnipeg North Centre said, that those holding an annuity at 3 per cent can be assured $132 per month; at 3.5 per cent, $129; and at 4 per cent, $122. I hope the minister is nodding his head in affirmation. Those holding a 5 per cent annuity will draw $114, and those holding the 5.25 per cent, $110. Annuity holders will welcome this news.

● (1610)

I am not sorry to see the government no longer involved in the sale of annuities. Their sale goes back to June, 1908, when individuals bought annuities from the government. If people could have bought private annuities more easily, their private annuities would have borne rates which accommodated themselves to changing circumstances. Perhaps the rates could have been renewed every five years. Annuitants would not have been stuck with 3 per cent, 3.5 per cent or 4 per cent annuity rates. The inflexibility was written into the original act. Private companies obviously would have concluded much more flexible agreements with annuity purchasers and provided for the periodic re-examination of interest rates. I am glad that the government is no longer involved in this activity.

Nowadays a prudent saver can put aside money in many ways: he can invest in a Canadian business, buy government bonds and otherwise provide for his family's future. He can invest in his country. I am glad that opportunity is becoming more widespread. Therefore, calling this legislation long overdue, welcoming many of its features, I will not delay passage of this bill on second reading and its going to committee for further study.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I do not propose to take up much time talking on this bill, although I wish to bring a few points to the minister's attention. Like most members, I have received substantial correspondence from constituents on the subject of government annuities, perpetual government bonds, etc. Many people purchased annuities and perpetual bonds before we experienced our present degree of inflation. All their complaints are similar, namely, that when they made their original investments they considered them to be good, substantial, so-called blue chip investments. Inflation was virtually non-existent and they visualized their future as being reasonably stable. Their horizon was unclouded and they bought such investments to provide for their retirement years.

When I heard that the government was to bring in legislation to increase the effective rate of interest on annuities but terminate their sale, I became concerned. The fact is, people are involved with governments and, like it or not, dealing with government is different from dealing with a private concern. The government's determination to end the sale of annuities is a glaring admission of the government's failure not only in annuities but in bonds generally. It is a failure to adapt to circumstances and the economic needs of those most in need. Primarily, of course, we are talking about senior citizens and the elderly who contributed to their country by working diligently over the years. They put away money for their retirement years but now, because of present-day conditions, they are under a great disadvantage and severely inconvenienced. That being so, it is appropriate for hon. members to raise their voices in protest and ask the government if this bill is fair and if something more could not be done to help these unfortunate people.

I realize that my suggestions involve considerable expense. Some of my colleagues suggest that the bill should be retroactive, that increased interest should date back to the original date of purchase of the annuity. Annuity holders are asking for more interest. They do not say that the effective rate should be, say, 7 per cent back to the original date of purchase, but they do say that the rate could be indexed to bring it in line with the rate paid by a reasonable investment in the years intervening between the original purchase and the present. If a fair and reasonable rate at the time of purchase was 3.5 per cent, that was the going rate for investments but it is too low now: it is now unrealistic. The government in its announcement of this bill indicated that it is ending the sale of annuities because it says there is insufficient interest in this type of investment. To me, that is an outright admission that people are losing faith in government investments.

I now take issue with some of my colleagues who say the government should get out of the annuities business. I feel that the government should play a certain limited role in the field of annuities. Certainly, it raises money by selling bonds and notes but it is under the social obligation to involve itself in a reasonably limited scheme of annuities. It should make them available primarily to lower income people who have not enough money to provide for their retirement through contracts with private companies. I, for one, am sorry to see the government leave the annuities business. I suspect it is leaving because of its unfortunate experience in that business and the serious complaints it has received.

I said at the beginning that most of us receive letters from our constituents. I have received a number. One from a constituent illustrates the plight in which many find themselves. The writer is a fine person, a widow in my constituency who has made a substantial contribution to

her community, province and country. Among other things, she has worked very hard all her life. In 1954 she purchased a government annuity. She invested her savings of $12,000 through the office in Saskatoon and, I believe, made payments over three years. After she finished making her payments she reconsidered the investment. Even then she had serious reservations, and at her own expense travelled to Ottawa to see the director of the annuities branch. She asked if she could withdraw from the annuities scheme but was advised that it was a firm contract in the same way as if she had dealt with a private corporation. The government was not prepared to make any exceptions to the rule. Therefore, she was tied in, if I can term it in that way—

● (1620)

An hon. Member: Hooked.

Mr. Hnatyshyn: I will say tied "tied." You can put your own interpretation on it. She was in fact tied into the scheme and could expect no relief or exceptions to the rule if she made a petition or formal request to the government. This woman was then advised that the scheme in which she was involved was a straight annuity concept. She was told that if she did not take the option to put it into a guaranteed scheme for a period of years, in the event of her death over the next few years, there would be no residual interest on the part of her estate with respect to any of the funds she had invested in the annuities scheme. Rather, it would simply terminate and the contract would be finished.

As a result of receiving this information, this woman opted for the annuity guaranteed scheme for 20 years. That was well and good. I understand she received an effective rate of 3½ per cent on her investment. Another aspect of this contract which I find rather inequitable is that when this lady reached the age of 65 years, not only was she still receiving the same interest rate of 3½ per cent but by virtue of the operation of this annuity the amount that she received in old age security was deducted from the annuity. Therefore, she received something like $40 less each month than she would have received had she not been in receipt of old age security. We have spoken about the inequity of return on interest rates. However, I find it a very disturbing situation when a government plan penalizes a participant by virtue of the fact that he or she is receiving old age security payments because they have passed the age of 65.

When this matter comes before the standing committee I will be interested in hearing from the minister whether provisions of this sort contained in annuity schemes will be amended to make the scheme more equitable and to underline the concept of an annuity. It should be on the same basis as if one had an annuity with a private company. It should not be affected by the kind of payment one receives from the government as a matter of right having attained the age of 65. In addition to speaking to me, this lady has apparently spoken to the CBC ombudsman. I understand there may be some discussion of this particular problem on that program before the end of this month. I can only hope that this complaint, which was brought to the attention of the minister, had some effect in precipitating this legislation. If that is the case, I suspect Mrs. Margaret Jenkins, a very distinguished constituent, will be happy that her complaint and petition have had this effect.

[Mr. Hnatyshyn.]

While this legislation may not go as far as one would like, it does go a certain distance toward bringing some equity to these investments as of April 1, 1975. I join with other hon. members in commending the government to the extent that they have taken action to make a more reasonable return available to participants in the annuities scheme.

In writing to me, Mrs. Jenkins pointed out that if she had purchased $12,000 worth of government bonds at that time, she would have received $540 a year, or $10,800 for 20 years until April, 1975 at which time she would have received back the $12,000. She would still have had her capital. What she has now is a guaranteed period of 20 years with her $12,000 investment. She receives something in that vicinity but she has used up the capital investment. This woman has children. She feels she has contributed to society and to her country. She saved money. Quite frankly, she does not believe she has received proper consideration. During the course of the committee proceedings I hope the minister will give serious consideration to what else might be done for people in this situation.

I am certainly in favour of restraint in government expenditures. However, there is an area of government priority that must be considered. I refer to those who are unable to take care of themselves, the disadvantaged and the elderly. These persons have a very high priority. Restraint in government spending can well take place in other areas. A rearrangement of priorities in spending would not be difficult in order to make some reasonable provision for people in the categories I have mentioned.

During the course of the committee meetings, I ask the minister to let us know whether there is any additional provision which might come within the royal recommendation, by which we can make some gesture toward persons who will receive minimum benefit from the provisions of this bill, those whose annuity contracts are coming close to termination. These are special cases. The government is regarded by citizens in somewhat different terms than private companies. I therefore ask the minister to set up within the annuities branch an administrative tribunal to look at individual cases and grant relief with respect to applications where a particular hardship or need is shown. It is all right for those who have a reasonable income to just look upon this as an investment, but many people in Canada rely extensively on this kind of investment.

● (1630)

It seems to me the minister would do Canadians a great service if he were to consider setting up a mechanism within the department through which applications or petitions could be made by people who are most seriously affected by inadequate interest rates over the years; they might be given an opportunity to seek relief additional to that proposed in the legislation. In conclusion, I appreciate the opportunity afforded me to take part in this debate. I have spoken for rather longer that I intended, but I had certain things I wished to say with regard to this piece of legislation.

Mr. Munro (Esquimalt-Saanich): On a point of order, Mr. Speaker, I should like to explain the absence of the Royal recommendation from the copy of the bill I have. The hon. member who preceded me mentioned the royal recommendation. I see that I have a pre-first reading version of the bill, one which does not contain the royal recommendation and I should like that correction to stand.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to intervene briefly in this debate because I, along with others in this chamber, have received letters and telephone calls from people who have asked for the very thing which is being granted in the bill now before us.

In the past, when a great many people, now older people, purchased government annuities, they did so for two reasons. First, the 4 per cent interest rate was not unattractive when compared with the bank interest rate and the interest rate yielded by other easy investment opportunities at the time. In the second place—and this was perhaps the major reason—they felt that if any investment was gilt-edged and secure, a government annuity stood in that category since it was backed by all the resources of the country.

Then a few years ago when inflation began taking hold of the economy, their investment looked far less attractive and members began receiving letters pointing this out. Several hon. members have referred to these letters but I do not believe any have been put on record. I intend to quote one of them because it expresses in a forcible way the plight of those concerned. It is from Sydney W. Mason, R.R.1, Selkirk. He writes:

Dear Mr. Knowles:

In the sixties, the government promoted the sale of Canadian Government Annuities to provide a retirement savings plan. Many people like myself put in sums in excess of $1,000 per annum as a responsible provision to retirement. In course of time the government annuity was taken out and a monthly income established. This is administered through the Unemployment Insurance Commission ... These annuities were established at a rate of 4 per cent on the capital and since that time have been paid on that basis. As a fixed income it does not change, and I am sure in those days nobody anticipated the high inflation or the rise in interest and it seems to me the government could well pay a yearly bonus to reflect conditions today, not on the basis of 4 per cent. This was appreciated in the case of Canada savings bonds where a bonus was brought in last year, and old age pensions and welfare have been geared to inflation, but those of us who had the foresight to provide for ourselves without government support are penalized and the government is "ripping us off" by investing our capital and paying us at 4 per cent.

That, I think, is the crux of the situation, and no doubt representations of this kind are the reason Bill C-75 is before us today. Following such representations as I have quoted, I wrote to the then minister of finance, now the hon. member for Ottawa-Carleton (Mr. Turner) and among other things I said:

It would be reasonable to ask the government to index annuities in the same manner so that their value is not completely eroded.

I was referring to the indexing of bonds.

I draw this matter to your attention at this time because no doubt in the near future you will be introducing a new budget in the House of Commons and it would be the opportune time to take some steps to protect the income of people who have government annuities and other low paying interest bonds.

I do not by any means claim that this letter prompted the minister to take action, but no doubt letters addressed to him and representations by hon. members generally encouraged him to take the step he did. The 7 per cent interest rate is to be commended. It is a great improvement on the 4 per cent figure I have mentioned. I think, though, it might be better to index the interest rate rather than provide for its adjustment by order in council. It seems to me it would be fair to index it in accordance with the cost of living, the consumer price index, and so on. Even the 7 per cent rate is not particularly attractive when one considers the interest which can be earned on savings deposited with banks, or on savings bonds. While good, the 7 per cent rate could certainly be increased without hurting anyone.

I was interested in the proposition the hon. member for Halton-Wentworth (Mr. Kempling) made about the need to look at the perpetual government savings bonds which are held by large numbers of people across the country. These are a millstone around the necks of their holders, in terms of investment. The interest rate is abysmally low. This is another item about which my constituents have been making representations to me, and there is a growing need for action in this area.

In conclusion, I express the hope that agreement will be reached, as the debate closes, to go into committee of the whole. Let us get this bill through and get the money into the hands of the people concerned as soon as possible.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, may I say, first of all, that I regret the failure of the House leader to obtain unanimous agreement among the parties to sending this bill before a committee of the whole House after second reading. It is not always easy for members interested in particular pieces of legislation to find places on the various committees which are created. A person having an interest in Bill C-75 would find, with some surprise, that the Department of Manpower and Immigration was going to handle it as originally introduced or referred to in the House by the Minister of Finance.

Be that as it may, I have a few questions which are not really suitable for debate on second reading. This is forcing members to get placed on the relevant committee if they have detailed questions they want to ask on clause by clause study. It could just as well, and more expeditiously, be done in committee of the whole. Many of us had also hoped that this bill would be given third reading today. I am glad it is not the party to which I belong that has put the roadblock in the way of its speedy passage.

There are two or three comments I would like to make, and I hope the Minister of Manpower and Immigration (Mr. Andras) will be able to answer my queries in his summing up. This being one of the dwindling number of government long-term borrowings on which Canada Pension Plan rates of interest are based, that is, the rate the provinces pay the federal government for the use of Canada Pension Plan moneys, is it the position of the government that their actions concerning this bill are entirely altruistic? In other words, does the prospect of raising the interest rate with respect to the Canada Pension Plan have any bearing on the decision, and does this measure indicate that the government's other long-term securities may be subject to adjustments—the government's definition of a long-term security being that it must be of 20 or more years' duration? There are very few

securities in a government portfolio, and removing a Canadian annuity fund from that portfolio is going to affect Canada Pension Plan interest rates.

● (1640)

I think clauses 3 and 4 leave one in a considerable fuzz about the real rate of increase in pay-out. Annuities being paid out prior to April 1 will now be increased to 7 per cent interest. With a 4 per cent bond, this represents a 75 per cent increase. I am very curious as to why, with a 75 per cent increase in the rate of interest, the maximum rate of pay-out under the attached schedule is 32 per cent. That is the maximum increase, ranging down to 10 per cent for 5¼ per cent annuities. Perhaps the minister can clarify that matter for me when he sums up.

I would also ask the minister if he would be kind enough, when closing the debate, to give some assurance to the House regarding clause 19, which provides:

This act shall come into force on a day to be fixed by proclamation.

I hope the minister will assure us that the date of proclamation will follow very speedily after third reading and royal assent and that there will be no undue delay. Constituents of all hon. members are waiting eagerly for this long-awaited increase in annuity. Some have watched their purchasing power dwindle gradually over the years. This bill is, as has been said, long overdue and I am pleased to support it. I hope it will get speedy passage.

I close on a lighter note. I would ask the minister, or anybody, to explain to me the intriguing phrase in clause 8, "the purchaser has died or gone out of existence". I must confess I have been puzzling over how you go out of existence rather than die. I had no idea that there was an alternative.

The Acting Speaker (Mr. Turner (London East)): If the minister speaks now he will close the debate.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, may I make quick reference to the suggestion that we continue right through committee of the whole. I would have been willing to do so had I understood that this was planned in agreement with all parties, but regretfully that was not my understanding and I have made other arrangements. I hope we can deal with the bill expeditiously in the standing committee where it would lend itself perhaps to more detail.

If there are problems in getting on the committee, as one or two members understandably have indicated there might be and if there is no compromise I will be glad to answer any detailed questions and make sure that answers get back to hon. members. I realize that this does not get them on the record, as it were, but I think it will be of some assistance. Members may send their questions to me tommorrow; obviously I cannot deal with them all at this stage.

Since the bill will be going to committee I will not attempt to touch on any of the matters raised. As for the authority in the bill for the governor in council to vary the rate from the 7 per cent figure, as in clause 3(2), I think the hon. member for Winnipeg North Centre (Mr. Knowles) expressed concern as to what would happen under the schedule if the rate were increased to 7 per cent, 8 per cent or whatever, just to take an illustration. It is the assumption, supported by the authority in clause 5(2), that the governor in council would also have power to vary the schedule governing interest rates. I think we are on all-fours in intent, but in committee I think I will be able to establish that that authority is in the bill.

The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) mentioned a case concerning an annuity. A lady had had a contract and on reaching pensionable age found that her rate of pay-out was being varied. I will take the opportunity to check that because it sounded very much to me a matter of edict by the government. I am told that it is very likely, based on the original contract she entered into and in order to have a more convenient arrangement, at her option she chose an earlier commencement date for the annuity and then deliberately phased in old age security, or whatever the supplemental benefit was. It is a little difficult to change horses in midstream, as it were, but that may be the explanation in that particular case.

With regard to the real rate of pay-out increase, I am not sure why there is confusion there. The hon. member for Esquimalt-Saanich (Mr. Munro) was quite accurate in the figures he placed on the record, as I heard them. The $100 payment, depending on the schedule, is increased in proportion to the percentage rates at the back of the bill.

As for the expression in clause 8 "died or gone out of existence", I admit that puzzled me a bit. It is really the difference between a human and a corporation. Humans, unfortunately, die; corporations go out of existence for all sorts of reasons. There may have been a better way to put it, but that is the intent of that somewhat amusing use of language.

With regard to the proclamation date, we are only reserving the implementation of this legislation in order to have the opportunity, after receiving the authority of the House of Commons, of proceeding with a certain program of administrative measures getting them in line. This will be done as quickly as possible because we are very keen to get the cheques rolling. Hopefully, this will coincide with the availability of delivery of the cheques. I look forward to discussing the bill in more detail in committee.

Motion agreed to, bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

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

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

Hon. Ron Basford (Minister of Justice) moved that Bill C-71, to amend the Criminal Code and to make related amendments to the Crown Liability Act, the Immigration Act and the Parole Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, first I want to thank the House leaders opposite for arranging that this bill be called at this time. I hope it will be possible to refer the bill to the

Standing Committee on Justice and Legal Affairs after appropriate debate and to have the bill passed by this House and the other place by Christmas. I recognize, as does the government, the concern of Canadians for the whole question of prevention and detection of crime, and peace and security. This is a major concern that is surpassed possibly only by the concern of Canadians for inflation.

The government believes that Canadians have the right to enjoy a sense of safety on their streets and in their homes and cities, a right that has long been the hallmark of our country's way of life. There are many Canadians who feel insecure in this regard at this time. The policies and initiatives which the government will bring forward to the House in the months to come will tackle the issue of how Canada must respond to social and cultural changes. Initiatives will be forthcoming in a number of areas. Some, as hon. members know, such as the national attack on inflation, are already before the House. Others, such as bills which I and my colleague, the Solicitor General (Mr. Allmand), are working on now will be introduced shortly. They are currently in preparation and under consultation on a priority basis with the attorneys general of the provinces and others.

● (1650)

This bill which was introduced by my predecessor, now the Minister of Transport (Mr. Lang), during the month of July and introduced today for second reading is part of a series of measures which will demonstrate, I think, in a full and firm manner the government's determination to respond to the real and legitimate concerns of Canadians. I hope we can get it into the committee after appropriate debate in order to deal with both the substantive and technical amendments provided for in Bill C-71 in the precise way that committee hearings allow.

The criminal law amendments bill is one of a number that have been and will be introduced in a continuing review by the government of the Criminal Code. This ongoing reappraisal of substantive, procedural and evidentiary aspects of criminal law is necessary if criminal law is to reflect the changing attitudes of Canadians and to provide for more effective means of law enforcement against criminal activities. It also provides the means of evaluating the effectiveness of some earlier changes with a view to ascertaining whether further modifications or improvements are needed.

Increasingly, crime is taking on an international aspect and the amendments dealing with conspiracy and laundering are aimed at these particular problems. Changes in our mode of life, such as the increased use of credit cards, have made it necessary and desirable to introduce provisions dealing specifically with credit card theft, fraudulent use of credit cards and theft of telecommunications services.

The amendments that are being introduced in Bill C-71 result, in some instances, from particular problems that have been encountered and in others from a general realization that the present provisions are inadequate to meet changing conditions. These amendments are designed to remedy the problems that have been encountered or are anticipated.

Many of the amendments contained in the bill are the result of representations made by the criminal law section of the Uniform Law Conference, the Canadian Bar Association, the attorneys general of the provinces, law enforcement authorities and the general public. These representations are indicative of the participatory nature of the amendment process whereby all segments of the public are involved. I will at a later date, when further amendments to the Criminal Code are introduced, be discussing both these amendments and the work of the Law Reform Commission in the whole area of criminal law reform which will be going on over the next few years.

The main objectives of the bill are fourfold. They are to update certain areas of the criminal law to reflect the changes in public attitudes; for example, provisions dealing with pinball machines and interprovincial lotteries. The second is to take account of crimes which have recently become more prevalent, such as fraudulent use of credit cards, as I have mentioned. The third is to strengthen the provisions of the Criminal Code where problems have persisted, such as bail, drinking and driving offences and cattle theft. The fourth is to modernize provisions dealing with the legal process and criminal procedure, such as rape and related sexual offences.

I want to deal, at second reading, only with a number of aspects of this series of amendments. One of the major problems facing law enforcement authorities across the country in recent years has been the inroads made into our society by organized criminals, white collar criminals or syndicated crime, as they are variously called, who are adept at using the legitimate institutions of society as a means toward illegal ends. For example, consider the case of bonds or securities stolen outside Canada's borders, then passed through various front companies to be converted into cash. At the present time, section 312 of the Criminal Code cannot be used against those proceeds of theft but only against the actual goods or moneys obtained by theft, even if it can be proven by investigation that these proceeds do indeed derive from an illegal act.

By enlarging the scope of this section of the Criminal Code, as this bill purports to do, to make it an offence knowingly to possess the fruits of criminal acts whether committed in Canada or not, we will be placing in the hands of law enforcement bodies a potent weapon against organized criminals. It will no longer be possible for Canada to be used as a laundering facility along organized crime's cash flow process.

Another provision of this bill which will greatly assist police forces in deterring the activities of organized criminals and of terrorist organizations is the proposal to make it an offence to conspire in Canada to commit an offence outside the country, or to conspire outside Canada to commit an offence within our borders. Canada should not, and will not, tolerate being used as a base from which to plan crimes. If, for example, the directors of a company incorporated in Canada conspire to fleece investors in another country, they will be liable to a charge under this section of the Criminal Code.

In the second case, this section will make it an offence to plan a crime in another country for commission in Canada. This will apply to groups who plan, for example, to commit acts of violence or terrorism within our borders, even if

those acts are not considered illegal in the country in which their planning occurs. This provision could have application, although I know the House would join me in hoping that it will not, in the security measures established for the 1976 Olympic Games to be held in Montreal.

The second area of the bill I want to touch upon is that relating to rape and related sexual offences. An area of the criminal law system which has been much discussed in recent years is the procedure in cases of rape. The complaint, and it is well known, is that the trial procedures through which a rape victim must go are almost as much of an ordeal as the crime itself, and that often it appears as if it is the victim who must stand trial for having suffered the assault, rather than the accused. The amendments to the Criminal Code proposed in this bill are aimed at minimizing the embarrassment the victim must undergo, thereby increasing the number of rapes that are reported and prosecuted. They also, I think, reflect society's changing attitudes toward this crime while keeping in mind the rights of the accused.

Under the provisions of this bill it will no longer be mandatory for judges to warn juries that the victim's testimony, if not corroborated by other witnesses, is an unsafe ground upon which to convict. This provision has been seen by some as discriminatory to female victims of rape and attempted rape. The repeal of the statute requiring judges to caution juries will put an end to such discrimination.

It has also been said that the cross-examination of the victim, by counsel for the defence, on her moral character and previous sexual conduct reaches the point of harassment. Under the proposed amendments contained in this bill it will be necessary for defence counsel to show cause, in a voir dire in camera, that the evidence sought in such cross-examination is of such sufficient importance that it would be unjust to exclude it. The proposed amendments would further allow the exclusion of the public from the trial or any of the proceedings of the case. The amendments would also require judges, when either prosecuting or defence counsel has applied for such an exclusion, to consider the application and give in writing the reasons for denying the order if the judge does not agree.

As another means of protecting the victim of rape, the judge shall prohibit publication of the identity of the complainant when requested to by the prosecutor, which often is a particular matter of concern in smaller communities. The judge will also be required to consider a change of location for the trial and give reasons in writing if he decides not to order a change in venue. These procedures are designed, as I say, to spare the complainant the embarrassment of having the circumstances of the case become known in her community. They will also serve, I believe, as further encouragement to the victims of rape to come forward and report the incident to police so that justice can take its course and so that the harassment which has been associated with many rape trials will no longer prevail.

● (1700)

The third area of the bill upon which I wish to touch involves clauses 47, 48 and 53 related to bail. The Bail Reform Act was passed by this House in 1972. The primary objective of the act was to prevent an accused being unnecessarily detained in custody before trial of his case. It has become apparent that there is a need to tighten up some of the provisions where abuses which are potentially damaging to the integrity of the system of pre-trial release have arisen.

The general rule remains that when a person arrested is brought before the judge, he must be released on bail unless the Crown satisfies the judge that grounds for detention exist. Detention may be justified either on the ground that it is necessary to ensure the attendance of the accused at trial, or that it is necessary in the public interest. In certain circumstances, however, it is the accused rather than the Crown who should bear the onus of showing detention pending trial is not necessary in the public interest. The presumption of innocence is a fundamental principle of our legal system but its uncritical application to the earlier stages of law enforcement, such as pre-trial release, may give rise to unjustifiable results.

The accused, rather than the Crown, should carry the burden of showing he should be released, in three exceptional circumstances. The first of these situations occurs where an accused is awaiting trial for a previous indictable offence. There has been much publicity about persons released on bail on successive occasions while awaiting trial on as many as four or five charges. The present provisions are unlikely to discourage potential offenders and may foster an unhealthy disrespect for the criminal law. An amendment to deal with those who commit an indictable offence while on bail will shift the onus to the accused and remedy the imbalance.

Second, the person who has previously abused the liberal release provisions will now also bear the onus of showing why he should be released from custody pending trial. At the present time this is not the case. To shift the onus to the accused where he has previously contravened a release order is justified, keeping in mind the general principles of the Bail Reform Act.

Third, under the bail reform provisions, the foreign or non-resident accused is dealt with in the same way as an accused domiciled or ordinarily resident in Canada. The one expressed exception is that the judge may, on release pending trial, require a case deposit. In some cases, the deposit has been treated as a licence to abscond. It then becomes unlikely the offender will be apprehended and brought to trial. To meet this problem, the amendment shifts the onus to the non-resident accused.

At present, the second ground for detention that the Crown must establish is that the detention of the accused is necessary in the public interest or for the protection or safety of the public, having regard to all the circumstances, including any substantial likelihood that the accused will, if he is released from custody, commit a serious criminal offence involving serious harm or an interference with the administration of justice. The basic test is whether detention is necessary to the public interest. The likelihood of serious harm is only one of the factors to be considered.

The reference to serious harm may influence the court—and it is my belief it has—into giving too narrow a construction to the main test. The words "involving serious harm" are therefore deleted by these amendments. The onus on the Crown will be to establish that there is a

substantial likelihood of the commission of a criminal offence. I think those proposed changes to the Bail Act are important to correct and remedy some of the criticisms that have been made of the Bail Reform Act passed in 1972.

The next matter upon which I should like to touch is the overturning by courts on appeal of jury verdicts. As hon. members know, there has been recently a celebrated case in which an appeal court, hearing an appeal against an acquittal by a jury, imposed a guilty verdict on the accused. Under the provisions of this bill, appeal courts will no longer be empowered to reverse a verdict of acquittal. Instead, they will only be empowered to order a new trial of the accused or dismiss the appeal.

The next matter upon which I should like to touch is begging while armed, which is a matter of concern, I know, in the city I come from and in many of the large urban centres across Canada. Panhandling, or begging has become a phenomenon affecting our major urban centres over the past few years. Often the beggars are young transients, and often, too, they conspicuously wear knives while asking for money. To many people, the sight of a knife on a youth who has stopped them to ask for a hand-out is a threatening situation. The other day we listened to a member read letters from his constituents. I could show him long, thick files from constituents of mine touching on that particular situation. Amendments proposed in this bill will make it an offence under the section of the Criminal Code that deals with assault to impede or accost another person while wearing or carrying a weapon or an imitation of a weapon.

The next area I would touch upon is drinking and driving. One of the obvious major causes of violent death in Canada is the motor vehicle accident. Too often the root cause of the accident that kills or maims is the impaired or drunk driver. Amendments proposed in this bill will both stiffen the penalties for impaired driving and allow preventive police action to remove the impaired driver from the road before he can cause an accident. The penalties for impaired driving will be increased to a maximum fine of $2,000 or six months' imprisonment, or both. The minimum penalty will be $50. For a second offence, the penalty will be a minimum of 14 days imprisonment, up to a maximum of one year. For each subsequent offence, conviction will bring a minimum jail term of three months, up to a maximum of two years' imprisonment. The provisions of this bill would also empower judges to impose a conditional discharge in lieu of conviction, which would require the impaired driver to undergo curative or rehabilitative measures.

In the area of preventive policing, police would be empowered to conduct roadside screenings of drivers they have reasonable cause to suspect of having alcohol in their blood. This measure is not a substitute for the breathalyzer system but is a supplement to it. There have also been, which I will discuss in the committee, discussions in the press and with the attorneys general relating to the suspension of driving privileges by a magistrate. I have had discussions with the attorneys general about this, which I will discuss with the committee when the bill is there.

Other amendments to the Criminal Code proposed in this bill concern themselves with attacks made against diplomats and other internationally-protected persons within Canada and make it an offence to commit or threaten to commit an act of violence against the official or private premises of such a person. Following discussions with the provinces, measures are proposed to strengthen the provisions of the Criminal Code against off-track betting and to impose minimum sentences for second and subsequent convictions for bookmaking and running an illegal messenger service.

Recently, theft of telecommunication facilities has become widespread through the use of illegal black boxes which can circumvent the electronic accounting machinery used by telecommunications companies. Amendments proposed in this bill would prohibit the manufacture, possession or distribution of such devices without lawful excuse. This bill would also amend the Criminal Code to make cattle theft a separate indictable offence punishable by a maximum of ten years' imprisonment, and also establish stiff penalties for the theft of credit cards or to forge, use or deal in forged credit cards. The amendments will also allow the courts to try the offender in a credit card case in any area of their jurisdiction where he has committed such an offence.

● (1710)

Generally speaking, those are the measures in Bill C-71 which I have gone through quickly. As I have said, I urge that after appropriate debate in this House the bill go to the Standing Committee on Justice and Legal Affairs where each of the amendments can be examined in detail and then referred back to the House. I think they reflect the continuing concern of the general public, of our law enforcement authorities and of the Government of Canada for the preservation of law and order in our society. Too often in recent days there has appeared to be an imbalance in this regard, and it is important that the interests of the public at large be safeguarded against certain individuals and groups in our society. At the same time, obviously we must ensure that the interests and rights of the individual are protected, but this protection can never be at the expense of society as a whole.

I emphasize again that this bill dealing with a series of amendments to the Criminal Code which are both substantive and technical will shortly be followed by further amendments to be introduced by the Solicitor General dealing with a large range of substantial changes to the Criminal Code which I hope can be introduced before Christmas.

I repeat my thanks to the House leaders for their co-operation in having this bill called at this time, in the hope that it can be dealt with in committee and passed by the House and Senate before Christmas so that members of the House, and especially those who are interested in criminal matters, will be free to devote their full attention to the next series of criminal law amendments which will be forthcoming shortly.

Mr. Eldon M. Woolliams (Calgary North): Madam Speaker, I should like to join the Minister of Justice (Mr. Basford) in thanking the House leaders and others for co-operating in bringing forward this bill at this time. I want to tell the Minister of Justice that I was very pleased to receive an answer from him today during the question period, not because of the kind of answer he gave me but

because I think that in principle he is on the right track. My question was in reference to—I certainly do not want to debate it at this stage—the Latta murder trial.

I asked whether a decision had been made at the department level under section 617 because it was stated in an article in the Edmonton *Journal* and in the *Albertan* that the decision had already been made. But the minister made it very clear that this is a ministerial decision and that it will be made at his level, no doubt with the guidance of his officials. I think this shows that the minister is on the right track and I wish him well in his position as the new Minister of Justice. I think it is an honour to rise to the position of the highest law officer of the land.

Ever since I entered parliament, all the ministers of justice have been excellent, both in our party and in the Liberal party. I always had the fullest co-operation of the former minister of justice and of his predecessor who was later minister of finance. I know that the committee and members of our party will receive the same co-operation from the new minister and I wish him well.

I should like to discuss briefly the amendments before us. I might say at the beginning that we are prepared to see them go to committee for study. I foresee possible amendments being proposed and some questions being asked of department officials and of the minister to determine the effect of some of the changes that are being made in this package. I think it should be made clear that this is a package which confirms what the minister said when he first took office; that is, that he would get tougher with criminals and that as a result the government will be able to do something to reduce the ever-increasing rate of crime which is not only occurring in this country but also in other nations in the western world. The minister said openly and honestly that a similar bill was before the House under another minister of justice. Except for one or two small improvements it was really a patch job that did not bring about the control of crime in any substantial way.

The present Criminal Code of Canada is, at best, a haphazard arrangement based on British precedent, historical accident and outdated mythology. Since the implementation of the code, changes have been made by amendment in order to bring the law up to date, but we have failed to scratch the surface. I thought that that was the function of the Law Reform Commission, but we seem to be as far away from that ideal as we were four or five years ago.

I should like to refer to some of the sections which I consider to be antiquated, archaic and outdated. Let us look at the code. We can trace the foundation of the Criminal Code back to the work of Sir James Stephen. His draft code of 1868, along with Burbidge's Digest, which was really an edition of Stephen's work in a Canadian context by Mr. Justice Burbidge of the Exchequer Court of Canada, became the Canadian Criminal Code in 1892 after being presented to the Parliament of Canada by the then minister of justice, Sir John Thompson. Many of the sections of the Criminal Code have not been amended since 1892, and even if they have the same direction in our jurisprudence is maintained.

As I have said previously, the development and improvement of the code over the past 75 years has largely been by way of amendment. The desirability of proceeding in this manner has been challenged by many people, one of them being a leading Canadian authority, professor Alan Mewett who, in an article entitled "The Criminal Law, 1867-1967" which appeared in the *Canadian Bar Review*, stated:

> The numerous amendments present a shocking indictment of the process of criminal legislation.

Later he added:

> But it is not a cause for congratulation that Sir James Stephen would be quite at home with the Criminal Code of 1967.

I think that is a challenge to the minister. Although I am not being critical, I say that it is time we were able to do the job in the various departments of parliament. I know that this bill has been around for some time. In spite of the complexity of government today and of parliamentary responsibilities and duties, it is our job to get this bill before a committee. I ask you, Madam Speaker, whether the same unhappy conclusion reached by Professor Alan Mewett could not be drawn in 1975 or in 1976. Of course it could.

What, then, should we be looking for when we consider reform of the Criminal Code? The notion that crime can be placed in a single category is erroneous. Violent crime creates a climate of fear in the streets of our growing cities. Violent crime is on the increase in Canada, so that no one feels safe in the streets of our major cities, in the apartment blocks, in laundromats or even in garages. White collar crime, though important in economic terms, is much less visible than are crimes of violence.

● (1720)

The material cost of crimes such as petty theft, consumer fraud, violations of the Combines Investigation Act and embezzlement, dwarfs, in economic terms, all crimes of violence. It seems to me that perhaps we should philosophize for a few moments. To control violent crime and white collar crime we must have laws which are practical and acceptable to modern interpretations of life and human behaviour. That is why, when I come to the specifics of the amendments, I should like to see the code brought up to date and streamlined to modern times. These amendments should probably have been moved 10 or 20 years ago, and even then they would have made very little impact on the change in human behaviour, as far as crime in Canada is concerned.

The value of proper laws and proper law enforcement cannot be underestimated with regard to the control of crime, but I have felt for years that we must get at the breeding grounds of crime. What are those breeding grounds? Crime breeds in cesspools of injustice. Wherever there is injustice, crime will breed. It breeds in the urban slums or in the fast-growing cities of Canada. Urban poverty makes people the victims, not the masters, of their environment. A bad environment becomes the hereditary property of succeeding generations. When I travel to various areas of this city, I see children who are forced to play on concrete and cement without necessary parks which are large enough to be playgrounds. The situation is worse here than it is in Calgary. These children are brought up in conditions which foster crime.

In order to launch a major assault on crime we must attack the conditions of despair and denial of human opportunity in which crime can grow. However, crime still thrives under conditions of affluence. It seems strange to say that it is the white collar, economic crime which is eroding our system, sometimes categorized as a capitalistic system, promoting more and more controls and less freedom. Carried to a conclusion, this kind of crime against our society will lead us further down the road of controls and stateism.

In brief, police courts and prisons cannot by themselves control crime. I have never been convinced that prisons control crime. I cannot believe, in 1975 when I walk through the penitentiaries of this land and see people incarcerated in small cells, that there can ever be any real rehabilitation and reform. It may be that we live in a soft society and that we should not let them do hard work, but under certain conditions which safeguard society surely they should be permitted to do certain human endeavours—they would be not only of benefit to themselves but also a pride to society—so that they could be rehabilitated and reformed. However, under the conditions in which people live today, even on a first offence people are incarcerated. These places do not offer much hope, but, I would say, despair.

We must also deal with the underlying causes of crime, the immense and stubborn forces which pervade our environment, form our character and determine the quality of our lives. Through long-range effort in a new land of bountiful resources, we in Canada can surely conquer poverty and ignorance. We have conquered disease. Surely we can conquer discrimination, although I am not sure we have not gone too far. We should be conquering family breakdown, injustice, social tension and despair. Certainly there will be domestic despair if we have divorce laws which are too harsh. But on the other hand I see despair when in either a professional way or in my capacity of service to my country I see children with only one parent, and some of them deserted completely.

I have seen women across this land who have been deserted. They can go on welfare because of the number of children left with them and because they are without proper care centres, but they have to carry on in an environment which in the end surely does not lead to the creation of the best of citizens. And this is through no fault of the women in question. Hundreds of thousands of men have deserted their families and moved to other provinces. We have a kind of Balkan state in this country where alimony and maintenance claims cannot be enforced. These men walk away and leave their responsibilities to society.

While we must strive to uproot the cause of crime, we must put our practical minds to work in amending the various sections of the Criminal Code in such a way as to guarantee the law's respect and so that it shall not protect the rich while constituting injustice against the poor. Some say there is a law for the rich and a law for the poor, but the law is identical for all Canadians. We have gone a long way, even in my time here in this House. In addition, the provincial legislatures have gone a long way.

It is not the law which is different for Mr. Jones, who is in poverty, or for Mr. Green, who lives in affluence; it is the implementation of the law, the ability to hire the proper kind of expertise either by way of legal counsel, sociologists, psychiatrists or psychologists to help these people and to give them the same opportunity. An example of this, although not of this country, is the case of Patty Hearst. She can afford a better trial than her friends who were arrested with her because she can buy the best witnesses, the best psychiatrists, the best doctors and, I hope, the best lawyers.

Whether we like it or not, human behaviour being what it is, we only have to look at the book "A Matrix of Evidence" to determine how important it is to have highly trained and skilled people in the field of defence and in the field of representing the state when there is a prosecution. I have often felt we should have a special school for prosecutors, because many of them develop the idea that they are involved in a war. They feel that when they go to court, they have to win their case. When the Crown, which is the state, is being represented, this must be done in the fairest and most equitable way. The facts must be laid before the judge, or the judge and jury, whether they are for or against the accused. It is only for the defence to puncture the hole and to give the accused the best advantage under the law, because we must remember that when an accused sits in the prisoner's dock he has a large police force and the power of the state against him. Many times in my life I have seen very efficient counsel for the Crown, but not always the most efficient for the defence.

It is for us to bring excellence to every aspect of the administration of criminal justice, to correction, to courts and to law enforcement in every jurisdiction in Canada. Laws must be reformed. That is what we are going to do today and tomorrow. They must be repealed if enforcement is impossible, if the majority of people find them unjust and no one pretends to obey them and, above all, if no one is willing to enforce them. Surely this is the purpose of amending the Criminal Code; at least, I hope it is.

Before I discuss a few of the things with which the minister dealt, I might say that in my opinion the government has failed miserably in its fight against crime. Perhaps all governments have. According to the latest figures released by Statistics Canada, violence is up 10 per cent, about the same rate as inflation. Last year there were 545 murders in Canada, of which 450 cases were solved and 95 remain unsolved. The rate of violent crime in 1974 was up almost 6 per cent over 1973. In preparing for what I was going to say, last night I read that in the United States 19 violent crimes are committed every minute. There are 220 million people in the United States, and I would say that our ratio of crime would be identical.

Sometimes we are very complacent and point across the border or to some other country, but crime is on the march. Like all cities on the prairies, over the years Calgary has grown, but I never thought I would live to see the time when a secretary in my law firm would leave the office at around six or seven o'clock and be mugged, as they say, on the way home. A lady who has served in our firm for some 20 years was twisted around and her purse, credit cards, and so on, taken. Women on the streets are being dragged into churches and dark corners and raped. In my city and other cities housewives lock their doors as soon as their

husbands leave, for fear someone will enter the house and commit rape or other violent crimes.

● (1730)

The amendment concerning rape as contained in clause 8, on page 7 of the bill, is technical. This amendment would abolish the requirement of a warning as to corroboration in the case where an accused is charged with rape or another sexual offence referred to in section 142 involving a female. Further, this amendment would exclude questions concerning the sexual conduct of the complainant with persons other than the accused in cases where the offence charged is rape, attempted rape, sexual intercourse with a female under 14 years of age or indecent assault on a female, unless notice of such questions has been given and the presiding judge, magistrate or justice considers them necessary after a hearing in the absence of the jury and the public. In other words, the court must use its discretion.

Let me deal with corroboration. I support this concept, although I shall be raising some questions concerning it in committee. There is a reason for our rule of corroboration. Rape is the easiest offence to charge, the hardest to defend. So, wise men and women over the years have said that when this serious crime is charged, which at one time carried the maximum penalty of life imprisonment, there must be some corroboration. Usually that corroboration is given by an indirect, third party. The law said that the complaint must be made as quickly as possible. If the woman, on arriving home after the alleged offence, complained, say to a friend, mother or husband as soon as possible after the commission of the offence, it was held that her complaint constituted a form of corroboration. The rule of corroboration has been necessary to ensure that no person will be convicted unfairly of a crime carrying the maximum penalty of life imprisonment.

Sometimes there are two accused persons involved in a rape. This brings me to my next point. Let me tell hon. members about a certain case. Some years ago it fell to my lot to defend two young fellows, 21 years old or so, who had been charged with rape. They were driving a girl home from one town in Saskatchewan to another ten miles away. As they drove, a certain discussion took place between the driver and the female and finally the other fellow left the automobile. According to the facts elicited at trial, a certain proposition was made to her and she said she would do a certain thing provided a certain birth control device was used. The driver called his friend back to the car and asked if he had a certain birth control device. The friend said he had, but would not part with it. The offence, or affair, then took place. According to the female complainant, those two fellows attacked her and only when she broke down under cross-examination at trial was there any admission of the events previously alluded to. So one can see why corroboration is necessary. That is why a judge charges a jury that it is dangerous to convict unless there is some corroboration of a material particular of the complainant's story.

As the Minister of Justice said so clearly this afternoon, defence counsel, in order to discredit the complainant, would cross-examine on her sexual experiences with other people and, in all probability, prejudice the jury with respect to the accused. Sometimes one felt the complainant was on trial, not the accused. Let there be no doubt that a prostitute can be raped. It is all a matter of consent or, as a famous judge said, a question of salesmanship. At any rate, the provision which will remove the right to what we call the envelope list, that is, the right to cross-examine the female on her other sexual experiences, is sound.

The right to cross-examine on character is retained, provided certain conditions are met. An application must be made, after proper notice, to the judge and the matter must be argued in the absence of the jury. Counsel can apply to the judge for permission to put questions to a female complainant about her other affairs with those she has charged with the offence because, human behaviour being what it is, it is possible that a female complainant will allege rape for a number of reasons when rape may not have taken place. Therefore, the proposed provision is good. Some ladies belonging to an association whose name escapes me would prefer the crime of rape to be called assault. They want the name of the crime changed as the very word "rape" carries with it unfortunate connotations. I suppose there is merit to calling the crime an assault as often a female person is assaulted and bodily harm done.

I am worried about the publicity given to crimes like rape. Publicity may be entirely bad. For example, two weeks ago our newspapers carried reports of a fellow in Calgary who had too much to drink and went on a hunting expedition. He went to the zoo and shot one of its fine animals. I think the *Globe and Mail* carried the story. Obviously, a reader imitated what he had read. Yesterday, according to reports, a fellow went out to an animal farm and shot a lion and tiger which had cost $25,000. I am not accusing the media, but it seems to me that too much prominence is given to crime. You see a certain crime reported one day and not too much later you will hear of the same crime committed by someone else in the same community. This happens right across the country. I do not think the media should carry such intimate details of crime.

We read of knives being used as weapons of submission in cases of rape. No sooner is such a crime involving a knife or a gun reported in one community than the very same kind of crime, using the same weapon, is committed either in the same community or in the area covered by the newspaper or media. The hon. member for St. John's East (Mr. McGrath) has shown that psychotics watching violence on television may be influenced by what they see and so encouraged to commit the very same "perfect" crime they see depicted on television. Only when they are caught in real life they will find that lawyers do not whisper to judges as they do on television programs.

● (1740)

I suppose the community is entitled to know what goes on in its midst. I do not know the answer. I hope we can call witnesses before the committee who have studied this from the psychological and psychiatric point of view. The more you build that kind of publicity, the more you build that kind of crime. That is an answer I would like to get in committee.

I want to deal with another subject of the bill, procedures. I have read the bill very thoroughly. I told the minister at the outset what I thought. I pointed out the danger of changes in reference to rape cases. I now want to deal with some of the matters in procedure that have been

changed. My concern about changing procedures for many offences where the Crown can elect that the person either under a section—

The Acting Speaker (Mrs. Morin): Order, please. At this time it is only the general principle of the bill that is being debated, not a reference to a particular section.

Mr. Woolliams: I appreciate that. I am dealing with that in a general way. The minister talked about the procedures. I am talking about procedures in principle. I did not read clauses 33 or 34. I will certainly adhere to Your Honour's rule in that regard.

I point out the dangers of one procedure that was changed in many sections. I could name the sections, but I am keeping this on a very high plane. In these sections, according to the procedure people may be charged with an indictable offence or on summary conviction. It may be a matter of theft of $200, criminal negligence, or many other things. What I do not like about that kind of procedure is that the Crown, not the accused, has the right to elect whether it will be a charge on an indictable offence, which generally carries a penalty of imprisonment, or on summary conviction, which carries a penalty of a fine. In a number of sections this power is being given to the Crown. From who do they generally get their information? The police. If the police do not particularly like a person, or for some reason think that one offence is a tougher offence than another, they will recommend that it be tried as an indictable offence. In this way it permits discrimination.

After hearing the evidence, if a person is to be convicted the judge should have the discretion of deciding whether it should be an indictable offence or summary conviction because the penalties differ.

There is something else that I wish to point out. Where an offence is indictable and calls for more than five years' imprisonment rather than a summary conviction or an offence that calls for less imprisonment, you have to get the consent of the Crown in order to get a fine in lieu of imprisonment, or a suspended sentence. That was one of the hardships in the old drug sections under the Drug Act which called for five and ten years on soft drugs. In many cases where people deserve only to be fined or suspended and placed on rehabilitation, the judge had no alternative if the Crown wanted them sent to the institutions of crime that I have discussed. I think that places it on quite a high plane.

Another fundamental and basic principle to bear in mind is that in all criminal cases, as is true in all others, the onus of proof, that is to say the duty of proof, rests upon the Crown from the beginning to the end of the case. By that mean it is for the prosecution from start to finish to carry the burden of proving the case that they undertake to prove. If the Crown falls short of satisfying you as a tribunal of fact beyond reasonable doubt that all of the essential elements going to make up the crime as charged have been established, the Crown fails and, giving the accused the benefit of any doubt that arises, the accused should be acquitted.

There is one clause that goes to the matter of principle. If you are the navigator of a ship or the driver of an automobile and you become impaired or drunk, if they take a breathalyzer test and charge you, that is one thing. However, under the new clause this can be done two or three hours later. What does this mean? Most people may say that this sounds reasonable, that the fellow was probably drinking when he got off the ship or out of his car. It is highly probable that after the fellow left the ship or the car he went home and had a couple of highballs. In order to prove that the state of his mind was not impaired at the time he got into an accident with a ship, and I do not know whether this applies to a vehicle, but if not it eventually will, he must show that he became impaired in the two hour interval before the breathalyzer test was taken.

The results of the breathalyzer test can go into evidence. This reverses the fundamental right of jurisprudence that a person is innocent until proven guilty. The accused must go on the stand or he will be in a sorry state. He must say that it is true that at the time he took the breathalyzer test he had so much in his blood and, therefore, would be guilty under the Criminal Code if he were in charge of either of these vehicles and became involved in an accident. He must prove that he had the highballs after he left the car or ship.

I do not like to see jurisprudence reversed. Once you start that trend, and it was done with the Income Tax Act, you will find that the onus is always on you. You are guilty until proven innocent. I look at it the other way, innocent until proven guilty. That is why I raise this matter which has come to my attention in this bill.

There is one other matter of procedure. For 20 years lawyers practising law in the bar associations of the respective provinces, the Canadian Bar, lawyers with experience in criminal law when taking an appeal from a summary conviction had to go to the district court or county court by way of *trial de nova*, which means a new trial before the higher court with the same or new witnesses. All lawyers know what I am talking about.

Under the code 20 years ago you had to file a notice of appeal within 15 days after conviction, do something else within 15 days, and set out reasons for appeal in the paid notice. It was a very tough procedure, much tougher than appeals for more serious crimes. We fought that procedure. Finally the ray of light hit parliament. I think it was under the former Minister of Finance. He agreed to a simple document of appeal being filed to the effect that a person wanted to appeal a summary conviction at such and such a place at such and such a time. The clerk advised the various people, and you were through with it. After fighting for 20 years I can say that there was little change. More young criminal lawyers were out of court because they made a mistake in procedure and the issue of justice was never tried.

Now what do we find? The easier procedure is being repealed, and appeals will be accordingly prescribed by the rules of court set by the provinces. Who makes the rules? The judges. I always get suspicious when handing over that function to any group of people, whether they be parliamentarians or judges. Do you think the judges are going to make those rules to create more work, or do you think they are going to make the rules simple to give the kind of justice that yourself, myself, and all members of this House want to see for the Canadian people?

● (1750)

How many people know who makes the rules for court? They are made by judges. I would rather see the power left in the hands of the Code in a very simple form, and I hope to move an amendment on that in the committee to widen it out. It took us 20 years to get that changed, and now it is a reform for the worse. While I am dealing with that, let me deal with one other reform.

In the Code it sets out that you have to get an appeal book, and it costs you so much a folio or a page. That should be removed. The most expensive thing in an appeal is not your lawyer. If I am going to appeal a verdict in a serious case like rape or murder what is the most expensive part of the appeal?

We have legal aid—it is much better today, but it has only come in over the last short while. The thing to do is to get your 1,000 page appeal book. Some appeal courts, and I have this experience, pay one dollar a page. Now they are insisting that every case to which you refer—and you may only refer to a part of it—must be xeroxed and put in the back. If you have had anything to do with the cost of xeroxing you know it will cost 20 cents a page.

Appeal books cost thousands of dollars. There is a member here who has just finished a civil law suit. He could tell you what his appeal book cost. It cost him more than his lawyer. Thank goodness we now have legal aid because I remember that many people came before courts of appeal I appeared before, and the judge would say, "Where's the appeal book?" The poor accused would say, "I can't afford one." I've heard it said that, "If you cannot afford one you cannot come here and discuss it, because we don't know what you are charged with and we don't know what the evidence was."

When you start tampering, dickering, and fiddling around with costs, such as the cost of an appeal book, you would be all right with legal aid, but there are lots of places and cases where legal aid does not apply. I would like to take a hard look at that because I probably will never get another appointment in Calgary for discovery, or an appeal book as long as I live. The fees that are earned today on appeal books in many, many cases are higher than the lawyers' charges and sometimes they are pretty exorbitant.

Those are some of the things I had in mind. I am not going to deal with the question of the Morgentaler case—one of my colleagues will be doing that—except to say I am pleased with the result of a triumph of a great lawyer. I might call him by name although it breeches the ethics of this House in procedure, John Diefenbaker, the right hon. member for Prince Albert. He properly called on the minister of justice—the former one—the hon. member for Saskatoon-Humboldt (Mr. Lang) to bring amendments in to the Criminal Code that no court of appeal should have the right to substitute its view as to a verdict of guilty or not guilty rendered by the bulwark of our freedom.

Originally the former minister of justice described his concern over the court of appeal overturning a jury verdict of acquittal as "largely hysterical". Well, I am going to be one of the hystericals tonight, because it is there, hysterics and all.

[Mr. Woolliams.]

I would say this in fairness to the Supreme Court of Canada. In my opinion, for what it was worth—and this takes nothing away from the principle the right hon. member for Prince Albert brought forward—I said when the reform of abortion came in it would not work. We have abortion committees in the hospitals in Calgary. They have not got such committees in the hospitals in many places in Quebec. That is a matter of principle and a matter of conscience, and both are right in that regard. But there is the same operation going on in the City of Calgary that Morgentaler did in the Province of Quebec because they didn't have any committees. Theirs are legal, but because the others are done without a committee they are illegal. Here I would say—and I take the words from Oliver Twist—the law is an ass.

The Supreme Court of Canada doesn't make the law; we make the law. When they said on the evidence that Dr. Morgentaler was guilty the court was right because without a committee authorizing the abortion he was breaking the law. The court had the power under the statute to change the verdict. The right hon. gentleman from Prince Albert was right in that regard, to suggest bringing in that reform. And that is all I am saying about that. That is a change on which I congratulate the minister and I must congratulate the former minister because, as you so fairly said, Madam Speaker, it was a bill prepared by the former minister.

I do not intend to say much about bail, but I will say that really what they have done is to take the onus off the Crown and put it back on the accused. But the Minister of Justice cannot be blamed for that—he voted for it and so did many of us; I think I voted for it too. It was a government bill, though, and that change was made by the government, by a former minister of justice. Now all they are doing is just putting it back. That's why when we tinker—that's a good word, tinker—with little things, especially academics who sometimes have not had any experience, we don't know what we do.

I sometimes talk to police officers and I sometimes talk to judges across this nation. They tell me that you no sooner lock a fellow up for robbing a bank than he is out on the street because of the bail rules, and he is doing another bank robbery, back into jail, and out again in another week doing it again. There are thousands of cases like that across the land. And the pressure which has been brought on the Department of Justice to get that changed has been great. It is a good change. It is a matter of good principle.

I want to talk about the crime of theft for a few moments. Under this bill things are changed back to what they were 30 years ago. It used to be $50, now it is a few hundred. If it is $200 you can have a summary conviction charge laid and just be fined.

There is one thing I would like to mention to the minister for his consideration. That is fine and I agree with him. But you know what it does? It creates a haven for shop lifters. They go in and steal a hat, overshoes—a lot of things are stolen. I think when they get the second, third or fourth crime they should be tried on—and I mentioned the word a few minutes ago—an indictable offence. Those are some of the thoughts I have; it will be a haven for shop lifters. I can just see it.

I had a case dealing with that just lately. A couple of boys went in during the summer holidays and they changed the high record price to the cheap record price. So they were getting $10 records for $1.50. You know the tricks of the trade when it comes to that. I would ask the minister to take a good look at this theft section reform.

I see the Minister of Justice looking at me. I have done all this in 30 minutes and I did not think I could do it. I must congratulate myself in that regard. In summary I would say that we are going to support the amendments going to the committee. We hope that the committee—it's a good committee, Justice and Legal Affairs—will co-operate with us to get the best expertise, the best witnesses, to examine very carefully these sections and the changes to be made.

I would like to pay a compliment to the Department of Justice. In my experience, they are always very good to come with the explanations either outside the committee—and if you need help they will give it—or inside the committee. So we are prepared to support these changes with some idea that we might go for bail reform, on the question of rape as to its terminology, and we might ask them to slow down in some of these fields which are not thought out.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax-East Hants (Mr. McCleave)—Urban Affairs; the hon. member for Hillsborough (Mr. Macquarrie)—National Defence; the hon. member for York-Simcoe (Mr. Stevens)—External Affairs.

GOVERNMENT ORDERS

[*English*]

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

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

The House resumed consideration of the motion of Mr. Basford that Bill C-71, to amend the Criminal Code and to make related amendments to the Crown Liability Act, the Immigration Act and the Parole Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

● (1800)

Mr. John Gilbert (Broadview): Madam Speaker, before launching into my remarks on Bill C-71, may I congratulate the minister on his appointment. I think he has done a fine job in different portfolios. I remember him as minister of consumer and corporate affairs where he did a pretty fair job; in the portfolio of minister of urban affairs where he attempted to do a good job; and in the portfolio of minister of national revenue where he also did a good job. He is now in the very important portfolio of Minister of Justice and I wish him well. He is very competent and a very compassionate minister, and I am sure that in these times it is important to have the confidence of members of parliament and the public that one will do a good job.

Bill C-71 is one of a number of bills that the minister is proposing to bring forth to amend the Criminal Code. As the minister said in his statement, it is very important to balance the interests of the public with protecting the interests of the individual. We live in a violent world, and I guess we are the authors of this situation. You cannot have wars, TV programs and movies showing violence, without having problems, and we do have problems.

It is necessary to look at the total framework of life and at the different ways in which we can make the necessary changes to our life at home, at school, and in the community. It is really a question of attitude. All the amendments in the world will not change those attitudes; it is the individual who must change. Until the individual changes we will have to continue making amendments to the Criminal Code to prevent the violent acts that are being performed today.

There has been a recent influx of new Canadians, and our immigration program in the future will bring many more new Canadians to Canada. New Canadians have made a great contribution to the Canadian community, but one of the things I find striking is that when new Canadians come in contact with the law they have almost a mental and physical paralysis in meeting the law. It is very important that we develop laws that they and all Canadians can understand and comply with.

In building the right attitude toward the law it is necessary to strengthen and supplement other areas of life. I am talking about developing a healthy economic community and decent housing. I think these are instrumental factors in developing respect for the law. Even though we live in an age of violence I think there is a duty upon us to change the attitudes of individuals.

We are discussing this bill this afternoon, yet there are only one or two reporters in the gallery. The gallery should be filled with reporters, and the public galleries should be filled with members of the public so they can learn what are the attitudes and ideas of the minister and of the government and the members of this House. Unfortunately we have a full house for the question period but when it comes to a piece of legislation that will directly affect the lives of all of us, both the public and reporters are absent.

Bill C-71 is one of a number of bills to amend the Criminal Code in substance, in procedure and evidence, to reflect changing attitudes and to strengthen the enforcement of the criminal law. It has four main job objectives. First, the bill updates certain areas of the criminal law to

reflect changes in public attitude; second, it creates new offences for certain practices which recently have become more prevalent; third, the bill strengthens certain areas of the existing law; and fourth, it modernizes criminal procedures and evidence.

The minister, as his press release indicated, said that this bill is the work of consultation with different groups in society, namely, the criminal law section of the Uniform Law Conference, the Canadian Bar Association, the attorneys general, the law enforcement authorities and the general public, and these consultations have resulted in the changes in Bill C-71. I heard the minister say that he hopes the bill is passed in the House and in committee by Christmas. I hope he will ensure that witnesses come before the committee to give their views regarding the different changes contained in the bill. It is important that we have the police give their views regarding bail reform, that we have the attorneys general give their views regarding drinking and driving offences, and we should have certain members of the general public give their views regarding how the proposed changes will affect them.

As a simple example, many of us have received representations from humane societies across the country regarding cruelty to animals. I do not think the change made in the bill in this respect goes far enough, but I hope representatives from the humane society and other groups will be giving us their views.

I said that the legislation updates certain areas of the criminal law to reflect changes in public attitude. May I give the House a couple of examples. We are now going to make it legal to operate pinball machines provided the prize is a free game. This has been a problem that has spread across the country in many communities. Pinball machines appear to offer a very inoffensive game for people to participate in, yet those who do have been harassed by law enforcement officials because it is a criminal offence coming under the definition of slot machines. The minister has taken up the challenge and made pinball machines legal, provided the prize is a free game.

As for interprovincial lotteries, it will now be legal for lottery tickets issued by one province to be sold in another province provided the other province agrees. Again we have had difficulty regarding lottery tickets being sold in one province with the lottery being operated in another. We have to accept the changes that have taken place in this area. Personally I am not in favour of lotteries, but there seems to be a general feeling among the public that lotteries should prevail.

The second area is the creation of new offences for certain practices which have recently become prevalent. The most striking practice among the public today is the fraudulent use of credit cards, either trafficking in them or fraudulently using them. This is a credit society. I am sure many of us recall our parents operating in a cash society, never buying anything until they had the cash available. Today people buy a lot of things without cash but on credit, and they use a credit card which facilitates such purchases. However, there have been many abuses. Many people have trafficked in these credit cards and have used false credit cards. The result is that if a person loses a credit card he has real problems in trying to recover the card or in cutting off the credit in case the card is used by some other person. Therefore I think this is a necessary move because of the change in the buying habits of the public.

● (1810)

The second area is the theft of communications services by electronic devices used to avoid payment of telephone charges. I had not heard of this use of electronic devices which people put on their telephones in order to circumvent a charge for a long distance call for which they are responsible. This is a sophisticated world in which we live, and these people use these sophisticated devices to avoid payment. This brings up to date the law with regard to theft of communications services.

The minister went into some detail about laundering the proceeds of crime, more especially securities converted into cash by persons or companies. We now have a great deal of white collar crime. White collar crime is committed in the laundering of the proceeds of criminal acts. The police have had great difficulty in convicting these people because of restrictions in the definition of laws. This is very necessary in view of the inflow of laundered moneys from other countries to Canada and, I am sure, the outflow of laundered moneys from Canada to other countries. It is important to curtail the activities of persons who participate in this type of nefarious scheme.

The next area is in respect of conspiracy in Canada to commit an offence outside Canada, and conspiracy outside Canada to commit an offence inside Canada. Again we have white collar crime operators who set up companies for the sole purpose of fleecing other persons in other countries. This conspiracy has been very difficult to stop because of securities legislation falling under the joint jurisdiction of federal and provincial governments. This is a step in the right direction to stop that type of fleecing by individuals engaged in these operations.

Another area that has been taken care of relates to international protection of persons such as diplomats and representatives of foreign governments who will now be protected against attacks upon their official premises or private accommodations. In this violent world we have seen these attacks on embassies, foreign diplomats and representatives, and the police and governments have been powerless to lay charges. This is a step in the right direction of developing international law under which appropriate charges can be laid when offences take place against these diplomats and their property. Those are the areas in which new charges have been created because of recent practices of individuals.

The third area is in strengthening certain existing laws, the most dramatic example of which relates to bail reform.

Back in 1972 many of us were proud of the then minister of justice for bringing forth the bail reform act because we knew of the many hardships and inconveniences being imposed on people, more especially those without money who often lingered in jail because they could not obtain bail. It is to the credit of this government and the former minister of justice that this was brought forward.

We have had the experience from 1972 to 1975 in which there have been abuses of the general principle of that reform by offenders, and this has created within the community a sense of outrage at the conduct of certain crimi-

nals. It has been difficult for many of us who supported that bill to persuade those people to understand that the principle of the bill was that an accused was entitled to bail unless the Crown could satisfy the court that grounds for detention existed. The Crown had to assure the attendance of the accused at trial, and had to convince the court that detention was necessary in the public interest. This was often a very difficult thing for the Crown to do in those circumstances, and it resulted in a bad reflection on the principle of bail reform.

It has been necessary to make a change, and this change is good because the main rule still applies, that an accused is entitled to bail in the first instance. The main exception is that the accused will not be released if he is awaiting trial for a previous conviction or if he has previously abused his bail provisions, or is a non-resident. Those are the three main exceptions to the rule. An additional change is that it is up to the individual, that is, the accused, to show why he should not be detained. This is a very important shift in onus from the Crown to the accused.

I think with these changes we will have better co-operation with the police. Many of us have suspected that the police felt the present reform act was operating to their prejudice and jeopardy, and they did not like it. It just did not have that sense of strength necessary for the enforcement of law. I hope the police are now satisfied that we are doing our best to maintain the main principle that a person is in the first instance entitled to bail, providing the Crown cannot show the necessity to detain an accused to assure his attendance at trial, or because of the public interest. I hope the police realize this and feel they have the co-operation of the Minister of Justice (Mr. Basford) and of all members of parliament in this regard. That is the main area in which the government intends to strengthen the existing law.

Another area relates to drinking and driving offences. There is not a person who has not either himself or through a friend come in contact with the law concerning drinking and driving offences. This has become so prevalent that many Canadians are acquiring criminal convictions under these sections.

It has been obvious to many of us that there are numerous difficulties in the application and procedure in respect of drinking and driving offences, more especially impaired driving, failure to provide a breath sample, and driving with a higher than .08 blood alcohol content.

The minister has attempted to standardize these offences and has increased the penalties. For a first offence the minimum penalty is to be $50 with a maximum of $2,000, six months, or both. On a second offence for impaired driving, or in respect of the other two offences, there is an absolute mandatory term of imprisonment of 14 days with a maximum of one year, and for each subsequent offence a minimum term of imprisonment of three months and a maximum of two years. One can see how important the law is in respect of these offences, and I am happy to see that the government has taken a rather serious attitude to this major problem.

● (1820)

Many deaths have occurred because of drinking offences. I think it is time we were tough in this regard. These changes certainly indicate a toughness on the part of the government. I am rather happy to see that the toughness in some way is softened by the judge being given the alternative to a conviction of imposing a conditional discharge which would require that the person take curative and rehabilitative treatment in accordance with the terms of the probation order. This is an important improvement in respect of people who have an alcohol problem. The happy result of this is that if the person conforms to the terms of the probation in respect of curative or rehabilitative treatment, the conditional discharge will operate in such a way that there will be no conviction, no penalty, and no fine.

The other area concerns roadside screening. The minister comes from British Columbia, as do other members on the government side. British Columbia has had experience with regard to roadside screening of a person suspected of having consumed alcohol. We have not had that experience in Ontario or in the other provinces. This is a new departure.

In the past the police could require a breath test only when they had reasonable and probable grounds to think that the person was suffering from impaired driving. Now under the change in the law if a police officer suspects a person of having alcohol in his blood such a person must undergo a test, and refusal to do so would result in an offence. I think that is one of the preventative measures that should be taken in respect of the serious problem of drinking while driving.

The federal government has vacated the field in respect of imposing a prohibition order concerning driving and is now leaving it to the provinces to impose the suspension and prohibition. This is a result of the conflict we had concerning the operation of federal and provincial jurisdictions. I would hope agreement could be obtained between the provinces so that this would apply universally across the country. Perhaps I am wrong in this view, and the minister will straighten me out in the committee, but I believe a person could have his licence suspended in British Columbia and then move to Alberta where the question would arise whether that suspension in British Columbia is operative in the province of Alberta for the purpose of the offence the minister has left in the code, the offence of driving while disqualified.

I am not sure whether that would apply. I hope the minister would straighten out the members of the committee and the public concerning this where a person has his licence suspended in one province and then goes to live in another province. There is the question of whether that licence suspension or the prohibition would apply for purposes of a criminal offence under the code.

Then there is the matter of theft of cattle and the offence in this regard. I am sure many western members, more especially those from the prairies, will be happy to know that cattle theft will now be a separate offence under the code, with a very harsh penalty of a minimum of ten years' imprisonment. There must have been a fair amount of cattle rustling in the west. We do not have it in Toronto. We have a different type of rustling. This must be welcome news to many people in the west.

The fourth area concerns the modernization of criminal procedures. The most important area is with regard to rape and related offences. If ever there has been a subject which

has caused an emotional charge in people it is the offence of rape. It has almost become paranoic in respect of certain people. It has been necessary for the government to update and strengthen the law with regard to rape and related offences. These changes have come as a result of cases in court, publicity, and the harassment of complainants who have suffered as a result of the alleged rape. Therefore we in this party, as I am sure all members do, welcome the changes related to rape.

We welcome the fact that the requirement for a judge to warn the jury of the danger of convicting an accused person if the complainants evidence is not corroborated is now abolished for the offence of rape and related offences. Many people have thought this operated as an advantage to the accused. It may have had this effect psychologically. From my experience and that of others in court I never thought this operated to the great advantage of the accused, although in the minds of many members of the public it did. Therefore the necessity of the judge warning the jury of the danger of convicting an accused person without corroborative evidence has been abolished. Madam Speaker, I will move to the second part of this area after having a good dinner.

The Acting Speaker (Mrs. Morin): Pursuant to the order made on Wednesday, November 5, 1975, it being 6.30 p.m. I do now leave the chair until 8 p.m.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Gilbert: Mr. Speaker, prior to the dinner adjournment I was speaking about the fourth area in the bill to modernize criminal procedures and evidence. The main topic is rape and related offences. May I point out to you the amendments indicated in the bill.

First of all the requirement on a judge that he must warn the jury of the danger of convicting the accused if the complainant's evidence is not corroborated is abolished in the case of rape and related sexual offences. The second change is that cross examination on past sexual conduct by the complainant with a person other than the accused will be permitted only if reasonable notice in writing is given. The judge will then decide in the absence of the jury whether the evidence is admissible. The next change is that the judge may exclude the public in rape and related offences on the application of the accused or prosecution, and if the order is denied reasons must be given by the judge for the denial. This may be applied to part or all of the proceedings. The next amendment is that the judge may also order a prohibition on the publication of the identity of the complainant when an application is made by the Crown. The final amendment is that the judge may also change the place of trial in cases of rape and related offences when he deems it desirable.

You can judge from those changes that they are substantial. As I said prior to the adjournment for dinner, rape has become one of the most emotionally charged words in our vocabulary, and there has been a great deal of stress and strain both on the victims and on the public with regard to this offence. I think that most members of the House and the public at large will welcome the amendments with regard to changes in rape.

I should like to direct my attention to the representations that have been made by different groups concerning the charge of rape. Representation has been made that the charge of rape should be dropped and the charge of aggravated assault should be widened to include sexual attacks. I would like to hear the minister comment on this proposed change, either in committee or when he winds up the debate.

Many people have felt that the technical difficulties with regard to the definition of rape, and also the emotional charge concerning the word, have presented difficulties. Therefore representations have been made that this word should be dropped and that a more precise definition of aggravated assault with regard to sexual attacks should be found. As I say, I think the minister should deal with this either in committee or when he winds up the debate.

The next amendment is with regard to jury verdicts. The amendment states that a court of appeal, when hearing an appeal from an acquittal by a jury, will be limited to ordering a new trial or dismissing the accused. This amendment arose out of the Morgentaler case. A great deal has been said about this case; probably a great injustice was committed as a result of what happened, so many of us welcome this change.

Another welcome amendment is the changing of the offences with regard to theft, possession, and fraud to give Crown counsel the option to proceed either by indictment or by way of summary conviction. This is most welcome because many young people between the ages of 16 and 25 acquire a criminal record and have difficulties obtaining employment. This will directly affect the Criminal Records Act because if a person has a summary conviction offence he need only wait two years before an application need be made under that act, whereas if it is an indictable offence he has to wait five years. Up to the time of this amendment the law was that theft, possession, and fraud were indictable offences, so the minister can be commended for this proposed change.

There are many other changes. There is the amendment with regard to summary conviction appeals with the abolition of the trial *de novo*. From my experience many lawyers always welcomed the trial *de novo*, especially when they lost in the lower court, because it gave them a second chance to present their cases and probably to strengthen them. However, now they are going to be confined to the record at the first trial and they may have difficulties, but we can discuss in committee the reasons the minister thought it necessary to do this.

● (2010)

Another change is an amendment regarding grand juries. I think we in Ontario will welcome the abolition of grand juries. I know some of the other provinces have already abolished them, but we in Ontario have not. I think this is a welcome change.

There is one more amendment I should like to discuss briefly, and that is the amendment dealing with people who are mentally ill. I am sure any person who has prac-

tised law has been in court on occasion when a mentally ill person has been charged, and the court has been helpless at times with regard to giving some treatment direction to that person. He has had to be confined, and in most cases until his trial came up, but this amendment gives him the opportunity to be remanded out of custody for observation upon consent of the prosecution and the accused. I think this will go a long way in helping these people.

All these amendments with regard to updating the law, creating new offences, strengthening the law, and modernizing the law, result in taking the drama out of court. That may be a good thing because the drama in the past has been in connection with the conviction, and it seems to me that we should shift from an emphasis on convictions to an emphasis on reformation and rehabilitation. If these amendments and other amendments direct us in that way, I think they will be welcome changes.

We in the New Democratic Party will support this legislation. We look forward to the Minister bringing forward other legislation which will strengthen the law and help individuals to take their rightful place in society.

As I said at one stage, violence is the word of the day, and anything we can to do to reduce violence is most welcome. If this bill produces some reduction in violence, if it produces a change in the attitude of people with regard to the law, and develops a respect for the law, then it will have done an excellent job. With those remarks I will close and participate further in committee.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, this afternoon the minister laid before us a bill to amend the Criminal Code. I would be interested to know the number of bills which were introduced in this House since the birth of this country to amend the first bill which created the Criminal Code. People in general wonder if that has become a parliamentary sport. Mr. Speaker, if it is important to have good laws that are fair and equitable for all, it is even more necessary to have those laws obeyed, and particularly to obey them personally whether one is a judge, a lawyer, a legislator or simply a citizen. One must be convinced of that truth.

Laws require changes because they are made for man. Otherwise, laws would be statutory as are all natural laws. I will say more, Mr. Speaker, the law should be made to protect man against man, and often protect him against himself. And we dare boast we are the most intelligent beings on the planet. Seeing how some people act, free by their will, one is lead to wish God had created them like ordinary natural beings, determined them *ad unum*. Our will dictates our actions just as our intelligence determines their quality. And since there are no two identical beings, we need laws to make social life a bit more tolerable.

Having said this, I would like first to congratulate the Minister of Justice (Mr. Basford) for his new appointment—he holds one of the most important positions in this House—and for introducing Bill C-71 entitled an Act to amend the Criminal Code and to make related amendments to the Crown Liability Act, the Immigration Act and the Parole Act.

At first glance, Mr. Speaker, one would think that this bill is three-pronged. But after the Minister of Justice listed this afternoon all the revisions he intended to make to the Criminal Code, I think it is an omnibus bill. The minister says he will examine the detection of crime with public safety in mind. I think, Mr. Speaker, it is high time a minister of justice introduced major reforms to the Criminal Code to restore public confidence.

How often have we heard people say: There is no more justice nowadays. Everything is permitted in sex and other things. Today's murderer has become almost a hero who is being pampered and lives like a millionaire as guest of the state thanks to taxpayer money, of course, if not the incomes of his own victims. Today there is no such thing as robbery in business, since the real thieves have become financiers. Today there is no more usury, particularly since the government itself has taken the ceiling off the interest rate. We have only high finance and we are surprised to see organized crime rule as absolute master over our country. Mr. Speaker, I said in our country, in our province, but the province of Quebec is not the only one where organized crime flourishes. If you read the paper every day—I have a few with me—you can read titles like these: Vic Cotroni jailed in Toronto. He is the head of the Mafia. Cotroni's heir apparent target of Commission of Inquiry into Organized Crime. Disturbing aspects of Paolo Violi's everyday life. Strangely enough, all those names are repeated every day in the papers and those people go on living like nabobs. From time to time, things are made difficult for them, but it all stops there.

● (2020)

We are now told that the province of Quebec has appointed a Commission of Inquiry into Organized Crime to try and trace the activities of the Mafia within and without Quebec. Mr. Speaker, I think we could urge all provinces to establish their own organized crime inquiry commission. I look forward to the federal government having its own organized crime inquiry commission. I think that would be a first step towards enforcing laws which we are about to amend tonight, that it would be a start to have good commissions in order to know what is happening first and also know where the killers are and where order in society lies.

I read in a paper from Quebec that the following are discovered during inquiries, and I quote:

Drugs, extorsion, protection: headlines for the Commission of inquiry into Organized Crime. As early as next Monday the commission will initiate a public study of the Benoît project—

Do you know what the Benoît project is?

All we know about the Benoît project is that it will bring under the public eye the traditional activities of organized crime such as extorsion, protection, drug traffic and other equally unattractive activities.

In my opinion, Mr. Speaker, if all provinces as well as the federal government took such initiatives instead of contending that the Quebec commission is not constitutional, it would be an excellent thing. The matter is to be referred and submitted to the Supreme Court, and it would be most unfortunate if the Supreme Court should declare that commission unconstitutional. It is the only commission capable of showing the government where the problem is in order that it may propose legislation to correct it.

The minister proposes in this bill to bring in amendments concerning terrorism and the Mafia. I believe that if

we are to enact good legislation we should develop an educated opinion, get date and information to find where the problem is.

If the government is serious, the basic solution would be to establish a board of inquiry similar to that now operating in the province of Quebec, to try and detect Mafia henchmen in Ottawa and Canada as a whole.

In my view, if the minister wants to do a serious job, he must first get the tools to introduce amendments he proposes to the Criminal Code.

The Canadian people want the government to enact more stringent laws if needed. The people want more stringent laws, but their main requirement is that there be respect the law on the part of legislators, those who enforce it and every citizen in general. Speaking to respect what do we do, what did we do to protect those responsible for maintaining law and order?

How often are they ridiculed and derided. This is something I am perfectly aware of, Mr. Speaker, because for 25 years I have been organizing accident investigations and other investigations of every kind. This is where I met discouraged and bewildered police officers, who had every evidence to make a fair case. They were being pushed around by judges who had other things to look after.

This is why I submit we must first protect police officers and ensure they are respected. We still have honest police officers. I have known some who, after trumped-up inquests and trumped-up judgments, were crying because they had been working for three months on serious investigations to bring about justice.

I believe that if we want to amend our civil code and enforce it properly, we shall have to develop legislation to protect those who are responsible for enforcing it.

This bill mentions drunken driving. Mr. Speaker, people are strange and governments are the same. The government favours the sale of alcohol by all available means because it is profitable and fills its coffers. The government establishes a great number of alcohol outlets, and then, when it has promoted and multiplied the outlets, it sets the police after those who have become drunk because of its own illogical actions.

If there were as many public education halls where people could be told how to act, how to fight against bad habits, if there were as many halls where people could be told why they should not drink, why they should not take alcohol, why they should not take drugs, as there are alcohol outlets, and if instead of promoting illegal outlets, the government showed people the damage done by all that trash, there would be no need for all this legislation and amendments to improve our social life.

I agree with the minister that we must bring in amendments to make the roads safer, but I have always noticed that it is when people come out of the outlets which I mentioned earlier that the police can detect more easily those who are not fit to drive, before they have to be put in jail. In the case of those who come out of the outlets promoted by the government, since this is where it gets its money, the police could simply bring them home instead of intimidating them and making them spend the night in jail. This is not being done; instead, the police patrol the roads and arrest one individual who pays for everyone else.

[Mr. Gauthier (Roberval).]

If the people in charge tried to be at these strategic spots, especially during the weekends, we could prevent many tragedies.

As concerns rape, we are very happy that the statement of the victim will finally be able to be used as evidence without a third witness. The old legislation was so poorly drafted that it was very difficult for a rape victim to prove that there had been a crime because the rape had to be committed in front of two other witnesses.

● (2030)

I think that the amendment proposed by the minister will be more equitable for the victim. The bill also refers to conditional discharge. We have noted in past years that the National Parole Board was far too lenient for notorious criminals. And under the present Solicitor General (Mr. Allmand) our prisons have become boarding houses where the prisoners move at will.

I think that the rehabilitation process have not improved enough to allow such freedom. Nowadays the so-called rehabilitation takes precedence over the security of victims. I wonder whether the Solicitor General is conscious of the dangers incurred by the people when he commutes death penalties and aware that the National Parole Board frees that individual six, seven or eight months after his crime.

Surely, Mr. Speaker, the Solicitor General hears enough protests about him to try to change his mind. As far as I can see, after having heard him in the House, he is indomitable; he cannot even see other points of view. Yet, considering how much he travels, it seems to me he should consider it. I read this in *La Presse*, I quote:

WRATH OF LAW AND ORDER SUPPORTERS ON ALLMAND

—in *La Presse* dated November 6, 1975, when the crowd shouted to him, and I quote:

"Shoot them! Kill them!" That advice, those orders concerning all criminal regardless of their stature, were given, last night, to Solicitor General Warren Allmand by some hundred citizens of the municipality of Hampstead who claim to support law and order.

Those citizens, lawyers, engineers, judge (one), professors, nurses, housewives, had left their wealthy Victorian homes, discreetly screened from view by peaceful tree-lined avenues in the no less peaceful Town of Hampstead, right after the evening family meal, to hear Mr. Allmand speak to them on the prevention of crime and the control of violence.

The Solicitor General had come from Ottawa expressly to give that conference, as guest of the Hampstead Municipal and Recreation Association. Earlier in the evening, he was calm and smiling. Standing behing the oak lectern in the elementary school gymnasium, basketball nets and gymnastic rings hanging here and there, Mr. Allmand made a speech of some thirty minutes before going on to a question period on the main concerns of his department, on its main objective, namely, he pointed out "to prevent and reduce crime so as to protect society".

Mr. Allmand described in detail, and with supporting data, the steps his department intends to take to achieve its goal. He also explained the program he intends to propose to the government before the end of the year, program aimed at preventing crime and controlling violence.

Having addressed himself to the tragic events that Canadian society has experienced in matters of crime in recent years, especially last year and this year, the Solicitor General considered the issue of capital punishment.

Let us be reminded that Mr. Allmand is fiercely opposed to capital punishment.

Did we ask Mr. Allmand for the right to destroy a human life by resorting to capital punishment? Because the execution of a murderer, as he emphasized, does not erase the crime: it destroys another life.

Shoot them, replied the citizens of Hampstead at the microphone when they were not shouting it from their places.

With arrogance and intolerance some told him that he did not know what he was talking about, that he was a moralist rather than a jurist.

One could also read the following:

LES POLICIERS VEULENT "VENGER" LEURS MORTS!

The death penalty being prescribed for police murderers, policemen realize that the Solicitor General (Mr. Allmand) once again tried to laugh at them and that is why today they are all against his proposals and changes. I think that should be food for thought for a solicitor general who wants at least to sound out the people's opinion and give them what they want and not what he has in mind.

Mr. Speaker, there would be many other points I should like to deal with because the minister gave us a whole list of amendments that will have to be enacted regarding criminals. We are quite happy and we expect to be happier still when these amendments are adopted by the House standing committee. Tonight I have touched only lightly on a few clauses of Bill C-71, so as to expedite its referral to the standing committee. I hope that this bill to amend the Criminal Code will promote law and order in Canada so that Canadians may live safe and free in their country.

[*English*]

Mr. Art Lee (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise to speak in this debate in view of the importance of criminal law to the people of my city.

At a conference held in Vancouver, sponsored by the Police Commission of British Columbia, the increasing crime rate was discussed. Over the past two years we have had an increase in crime of approximately 13½ per cent. These figures include crimes of violence, such as murder, assault, robbery, and rape. In the B.C. lower mainland there is a feeling, highly vocalized by the public through numerous open-line shows and in newspapers, that the government is more concerned about the welfare of offenders in society than the safety of citizens.

The federal riding of Vancouver-Kingsway alone, known as quadrant three of the four-part police divisions, is said to have the highest per capita crime rate in North America. In Vancouver east and other parts of the core area there are pockets of serious and sensational violence. These incidents accelerate anger and fear, with blame constantly turned against the government. In some areas the elderly, and women of all ages, will not use streets, parks, or stores in the city core, including such reputable stores as Eaton's and the Hudson's Bay, where they are fearful of entering parking lots or elevators since a recent series of rapes and murders occurred in daylight in those department store parking lots and elevators.

Mayor Arthur Phillips and the police commission have faced up to this through emergency public meetings, and increased the city force by 120, ready for duty by October. Plans for a proposed similar addition next year will have to be scrapped if federal support, and in particular federal activity in the area of the RCMP, is at all reduced.

Illicit drug use and drug traffic alone are becoming extremely serious, not only in the lower mainland but in British Columbia in general. In our province we have at the very least 10,000 committed users of heroin, Every city, town—even villages and logging camps—has a permanent heroin user population. While Vancouver is still the major drug centre, Victoria, Nanaimo, the Upper Island, Prince George, Terrace, Kitimat, Kamloops, Vernon, Kelowna, Penticton, Trail and Nelson all have sizeable drug dependency problems, and contamination of youngsters increases yearly.

Other major factors of significance are as follows: up to 1969 the majority of heroin users were in the age group 25 to 29; in 1972 the majority age group had dropped to 20 to 24. Up to 1964 a youngster began to experiment seriously with heroin about age 18; today the age is down to 12 to 14, and a few mainliners are known to be nine and ten. In 1964 those known users under 20 years of age represented but 1.6 per cent of the total number of known users; by 1972 the percentage has risen to 10.6 per cent.

Drug seizures, although an infinitesimal portion of the total amount of illicit heroin brought into Canada, nevertheless are a frightening indicator of the drugs available to the youth of this province and, for that fact, our nation. In 1972, for example, 116 pounds of pure (80 per cent) heroin and 32,831 capsules worth at least $22 million at the uncut price were seized by the police. In 1973, 220 pounds of uncut heroin and 42,381 capsules worth at least $43,500,000 at the uncut price were seized.

Although hospital records are far from complete, the number of emergency treatment cases and hospital admissions for drug overdoses has doubled every two years since 1966.

● (2040)

Finally, in spite of the many pleas for action, Vancouver remains the major transit point for illicit heroin and cocaine. Far Eastern distributors have found it convenient, relatively safe, and comfortable in their dealings with Canadian distributors for trans-shipment to the United States, or as a suitable place to disguise the real point of origin of their couriers, their baggage or their commercial goods.

In speaking with Mayor Arthur Phillips, chairman of the Police Commission, he indicated that though a large number of large drug "busts" had occurred recently he would like to see the RCMP drug squad increased. This would enable the Vancouver City Police to employ men in other vital areas of crime prevention. Needless to say, the drug problem will not be solved simply by increasing the number of RCMP officers. Other measures such as drug education and the proposals contained in this bill, as well as the proposed peace and security package might assist.

The point is that even with this bill and the new crime package which is to be announced I am concerned that unless the federal government maintains its activity, particularly in the area of the RCMP, these amendments and the new crime package on peace and security will prove ineffective. I say this in view of the fact that at the present time RCMP contracts are under re-negotiation. Furthermore, I suggest the federal government seriously consider a program of financial assistance for municipal police

forces, the reason being that municipal sources of revenue are limited and cannot adequately take into account inflationary pressures.

I should now like to address myself to the amendments regarding bail. Let me preface my remarks by saying I firmly believe we should not depart from the basic principles of the Bail Reform Act. There is, however, one area which deserves reconsideration.

The drug situation in Vancouver is now reaching crisis proportions. Accordingly it has been suggested to me that major traffickers, particularly those charged with conspiracy to traffic, be automatically denied bail.

At the present time I believe the law is fairly well stated as follows: in an Alberta Supreme Court case, *Regina versus McClelland*, the accused was charged with two counts of trafficking in heroin. The accused is 22 years old, living with his brother in Edmonton who has offered him a job pending trial. The provincial court judge ordered the accused detained; the accused sought a review of that order. At the appeal hearing the Crown opposed bail because of the seriousness of the charge, arguing that he should be denied bail in the public interest. I shall quote the decision which was reached:

I am not prepared to refuse bail simply because a person is charged with trafficking in heroin or any of the hard drugs even if he has been convicted of the same offence or a similar offence before. If he is charged with trafficking when he is out on bail or otherwise awaiting trial for a similar offence, perhaps the public interest requires him to stay in jail until his trial.

In British Columbia in an unreported decision by His Honor, Judge Meredith, in the case of *Regina versus Oikle*, the accused was charged on three counts for possession of heroin for the purpose of trafficking. He had a previous conviction for possession of heroin and other offences unrelated to drugs, going back to 1960. He argued that he had elected trial by judge without a jury, that it would take a year to get the trial on, and that this delay was the basis for a review of the detention order made by the provincial court judge. It was ruled that the detention order should be upheld. The report reads:

The charges suggest that the accused might have a fairly wide field of acquaintances in the drug market; it is also significant that these charges arose after his conviction for possession. Second, there is a likelihood that if released the accused may commit offences related to narcotics. Accordingly, detention of the accused is in the public interest and for the protection or safety of the public.

From the foregoing cases it is clear that the issue being discussed is that of the public interest. In the Oikle case, public interest appears to be defined in accordance with whether the trafficker is a major one.

It is my suggestion that when the bill before us is referred to committee the committee should examine whether previous charges and previous convictions be used as criteria in defining who is a major trafficker, and that such major traffickers be denied bail.

In conclusion, I should like to congratulate the Minister of Justice (Mr. Basford) for the initiative shown in Bill C-71. I look forward to the peace and security package which is to be introduced later in the year by the hon. gentleman and his colleague, the Solicitor General (Mr. Allmand). I might add that it is gratifying to see a Minister of Justice from my own city, and also one who has been Minister of State for Urban Affairs and has a basic understanding of urban problems—there is of course a relationship, if not a direct one, to levels of crime.

[Mr. Lee.]

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I want to participate in this debate as well. I seem to be speaking a good deal today. But I am interested in one particular aspect of the proposed amendments and I hope to deal with that area almost exclusively. It is not that I have any great expertise on the subject I wish to talk about, but assessing the various proposals put forward by the minister on sexual offences, drunken driving, pinball machines and so on, I find that my expertise is not as great as on the topic on which I wish to speak.

An hon. Member: Leave it to the other side.

● (2050)

Mr. Hnatyshyn: It has been suggested that there may be more expertise on the other side than on our side, but I will not comment on that.

I want to deal with the question of bail reform and the different lengths of bail periods. I should like to start by asking the minister at some appropriate time to advise the House whether or not the amendments that are proposed in Bill C-71 are the full extent of the amendments he is contemplating in regard to bail reform. My colleague from Calgary North did raise this matter in the question period when he questioned the minister as to whether he was contemplating any amendments in addition to those in the bill.

This question also arises from the fact that, after the meeting between the minister and the provincial attorneys general, he was quoted in the press as saying that he felt the Bail Reform Act required amendment and that its provisions should be applied more strictly in certain instances.

I wonder whether the minister would let the House know if any additional amendments are contemplated, and whether he intends to bring in provisions to make bail even more restrictive than the amendments in the present legislation. Let me refer the House to a statement quoted in the Ottawa *Citizen* for October 23, 1975, headed "Stricter Bail Act Hinted". The article goes on to say:

Justice Minister Ron Basford . . . said Wednesday that bail is being wrongly granted in some cases because magistrates and Crown prosecutors have misunderstood the provisions of the Bail Reform Act. "The act itself is a good one", he said, "but in its application it has, in some cases, not been clearly understood by the men on the bench". The minister said it is not uncommon for persons charged in narcotics offences to be released on bail, only to go on trafficking when released. "An offender can often make enough money to pay for his bail this way," he said, "and the only way to put a stop to it is to make the act more strict."

Whether the minister was indicating that the present provisions are sufficient to cover the situation, or whether other amendments are contemplated is not clear. In looking at these provisions it is important to have some idea of the over-all picture and the context in which the amendments are brought forward. I think it is generally agreed that these provisions are desirable. I think the minister is indicating that he has something to contribute. He can remark on this now or later, as he sees fit, but I should like to raise this question with him.

Mr. Basford: Mr. Speaker, if it would help the hon. member I would be happy to answer the question now. The newspaper clipping to which he refers was a comment of mine which was directed at—

Mr. Deputy Speaker: Order, please. Procedurally this would hardly be acceptable because the minister has already spoken, and if I allow him to answer questions he loses his right of reply. I hope the hon. member will ask his question, and in using his right of reply perhaps the minister would take advantage of his right to answer all of the questions raised.

Mr. Hnatyshyn: It is a pleasure to hear from the minister, but if the penalty for doing so is to terminate the debate, since there are many others who wish to contribute, I would not want this to happen on my account. Incidentally this is the first opportunity I personally have had to extend congratulations to the minister on his appointment to this particular portfolio. I wish him the very best in his endeavours. He has a big job to do. The hon. member for Calgary North (Mr. Woolliams) has indicated his concern at the growing incidence of crime and violence in this country, and the minister has a great task before him.

Certain provisions of Bill C-71 relate to the Bail Reform Act. While they are, as I have said, welcome, and I think are generally acceptable, they do not necessarily answer some problems respecting bail and the granting of bail. I echo the comments made by other speakers to the effect that unfortunately what happens is that the rather more sensational types of situations get the publicity and people thereupon perceive that the whole bail system is not functioning in the way it should. For example, we hear about a person charged with the offence of murder or attempted murder who unfortunately is let out on bail under the provisions of the Bail Reform Act, and he subsequently commits another offence of violence. This gets headlines and, as a result, people feel it is not the exception but the rule.

There is no question that most members of the House are inclined to support the general concept of eliminating situations where, for example, little old ladies are incarcerated for long periods awaiting trial. We do not want to see that type of situation obtain in this country. Nevertheless we must ensure that in cases of serious crime some protection is given to the public. This is what motivated the government to propose the amendments that are being put forward in this bill.

There are some areas with which these particular amendments do not come to grips, and I should like to refer to them. It seems to me that under the present law the courts have the right to refuse bail under circumstances contemplated by the amendments. In other words, there is power under existing legislation, if the courts wish to exercise it, to ensure that people who may cause difficulty if released from custody will not do some damage or injury, or commit a crime. The problem has been that, for reasons that I hope to develop, the courts have not interpreted the existing provisions of the legislation to accommodate such situations.

Part of the problem is that on occasion insufficient information is made available to the courts. In this technological age of computers much more attention must be given to the provision of information to prosecutors and the courts—this assessment was made by those involved in the judicial process—in order to determine whether or not an application for bail should be opposed or whether the applicant concerned should be released.

There is no computerized record of people released on bail across Canada. The availability of this information is very scant. I could refer the House to a survey done by Statistics Canada, but it seems to me there is no fund of information which would allow us to assess adequately the effectiveness of the Bail Reform Act. It is therefore difficult to be categorical so far as the success of the bail provisions is concerned.

Another aspect that I do not think the bill deals with is this: under the present situation—and the bill does nothing to change it—if an accused person is granted bail there is obviously nothing to stop him absconding and failing to show up at the hearing. The rule is that an accused must report periodically to the authorities, but the tendency has developed for the police to put the onus on the courts and not to follow absconders unless they commit another offence. If they are caught and they plead guilty to the original offence, their absconding from custody is often overlooked.

● (2100)

This is one area in respect of which the department might possibly give some consideration with a view to determining if it would be worthwhile to develop and encourage a provincial system of exchanging information across the country covering convictions for offences that have been committed while the person was on bail. If this information could be made available to the prosecutors, with the idea of a follow-up to make sure that it is, then I think some method could be developed which would prevent individuals from pleading guilty to a second offence and avoiding, or escaping prosecution on the first offence in respect of which they were out on bail. I think this would be a worth-while endeavour and well received across the country.

These proposed bail amendments are adequate but I am concerned that they will not be applied haphazardly as were the 1972 amendments. The intent of the amendments is to reduce the range of discretion and spell out quite clearly the terms under which pre-trial release can be granted. The result sought is a narrowing of the opportunity for abuse by shifting the onus from the Crown to the accused.

In the preamble to the amendments the Minister of Justice has stated that the need has become apparent to tighten up some of the provisions where abuses which are potentially damaging to the integrity of the system of pre-trial release have arisen. The presumption of innocence, he said, is a fundamental principle of our legal system, but its uncritical application to the early stages of law enforcement, such as pre-trial release, may give rise to unjustifiable results.

The maxim of the Bail Reform Act is excellent, as pointed out by members of this Chamber, but it is one thing to support progressive legislation and another thing to make permissive the principle of that legislation.

Nowhere in the original act of 1972 was there a mandate for the Crown to apply bail provisions uncritically. In fact, instructions to the courts were very specific. The accused was not to be released if the court had probable and reasonable grounds to believe that he or she would commit a new offence, repeat the same crime, fail to appear for trial, or frustrate the administration of justice. Thus it often appeared that the failure of the original act was not with its provisions but with their application by the courts. The Bail Reform Act in some instances turned into a revolving door farce in which a suspect was arrested, released, arrested, released, and so on indefinitely. The minister referred to this problem and said it had occurred within his own city.

Statistics on indictable offences committed while on bail are particularly difficult to come by because of the problem of jurisdiction and the variety of reporting systems. As I indicated earlier, there has been a survey made covering federal crime cases. This is a sampling of federal criminal cases for the period January 1, to August 1, 1973. This survey did not cover all cases but, as I understand it, was rather selective. However, some of the results are rather interesting. Some 12,698 persons were included in the survey sample, and I understand approximately 91 per cent were released either by police, by a justice or a judge at some point prior to the disposition of their cases in the courts. Of this number, according to this particular survey, about 6 per cent failed to appear in court at some time.

I am not sure how accurate these figures are because there is a lack of cross-referencing between police and court records. This makes it rather difficult to obtain a completely accurate accounting.

There are some interesting aspects of this survey which I should like to bring to the attention of the House because they do raise some interesting assessments on the way this act has been administered across the country.

In general the survey revealed that the police apparently are exercising their discretion in favour of releasing the accused. Police tend to detain certain types of offenders in custody more frequently than others. For example, only about 5 per cent of motor vehicle law offenders were held in custody, while about 75 per cent of those charged with armed robbery, and about 47 per cent of those charged with breaking and entering were held.

There are variations in the release rate between municipal and provincial police forces, and also between cities. Since this is the first survey of its kind, and there is no comparable information available for the period prior to the Bail Reform Act, it is difficult to draw firm conclusions based just on this information.

The number of persons detained in custody varied from province to province. The figures covering those cases where the police detained the accused in custody varied from New Brunswick with the very low percentage of 4.6 per cent, to Quebec where there were 34 per cent of the people retained in custody by the police. The variations in the rate may be attributable in part to provincial differences in the rate of serious crimes; that is, crimes in which the police have no authority to release the accused. However, this factor alone does not explain the differences between high custody and low custody provinces. The Quebec sample, for instance, showed only 30 per cent of its criminal code cases, excluding traffic cases, in the more serious category, but it had 34 per cent custody rate as compared with New Brunswick figures of 16.1 per cent and 4.5 per cent respectively.

The next thing which occurred to me about this survey was that municipal police forces, with the exception of those in New Brunswick and Prince Edward Island, are much more likely to keep an accused in custody than are provincial police forces, including the RCMP. Municipal police forces imposed custody in 36.7 per cent of the criminal code cases handled by them while the comparable figure for provincial police was 15.9 per cent.

The study showed that the police tend to detain certain types of offenders in custody much more than others. For example, 26.3 per cent of persons charged with offences under the Criminal Code, other than motor vehicle and drug offences, were held in custody by the police, with those charged with armed robbery being 75.8 per cent, breaking and entering, 46.8 per cent, and theft over $200 41.8 per cent. Persons charged with drug offences other than simple possession also had a high rate of detention in custody, some 57.8 per cent. On the other hand police released all but 5.1 per cent of motor vehicle law offenders.

A point I want to mention is that the survey revealed major differences in the methods of release employed by police across Canada. The appearance notice, used nationally in 32.2 per cent of all cases, was used in 67.3 per cent of the cases in Saskatchewan, but in only 11.8 per cent of the cases in Quebec. The promise to appear, used nationally in 14.8 per cent of all cases, was used in 39.9 per cent of the cases in Prince Edward Island, but only in 2.4 per cent of the cases in Quebec. The summons was used in 26.3 per cent of all the cases, but its use was much more frequent in the provinces east of Manitoba than in the western provinces or the Territories.

Finally, in half the cases sampled the case was disposed of at the first court appearance. In the remaining 6,284 cases, 1,433 persons were in police custody. Out of those in custody, 1,086 were released upon application to a justice, half of them upon a simple undertaking to appear at trial without any terms or conditions being imposed. Of the persons sampled in the survey, 91 per cent were released either by the police, a justice or a judge at some point prior to the disposition of their cases.

It should be noted that of the 1,149 persons who were not released at all prior to the disposition of their cases, approximately 60 per cent had their cases concluded at their first court appearance, hence the question of release by the courts did not arise.

● (2110)

These statistics raise in my mind the question of the basis upon which the department makes its assessment in respect of amendments concerning bail. It seems to me some consideration should be given to having a much more thorough basis upon which to determine the necessity for amending provisions. Much more should be done in this regard than presently is the case. In addition it would seem to me there is not necessarily uniformity across the country concerning the application of the legislation. I do not say that uniformity is in itself a virtue.

However, it would seem there may be cause for the department to think in terms of an educational program in respect of members of the judiciary, the people involved in prosecutions, in order that the spirit of the law may be more clearly understood and so that the procedures would be carried out more thoroughly with a view to obtaining some sort of co-ordination between prosecuting attorneys and the courts. I think this would be worthwhile.

I am sure no one would suggest we should tell the judges how to conduct their courts because in each case they must look at the circumstances. However, I think we must do two things. First, we must provide the people involved with the necessary information, and second encourage, as I mentioned before, the concept of computerization of information and availability of information so far as the prosecutors are concerned, so that in each case they will be able to deal with the matter as effectively as possible and protect the public interest in cases where this is appropriate.

Having made those points I reiterate the fact that it is neither desirable nor feasible to keep a person in jail for a petty offence. Generally there is a backlog of cases in each of the provinces today and therefore trials often are not held for some time after the charge is laid or apprehension has taken place. I think this is another area in respect of which everyone would agree some assistance must be given to the courts and some thought given to improving the efficiency of our courts so that they will be able to deal with the cases expeditiously. If these new amendments are to function properly, the accused will have to do more than assure the court through a promise to behave.

I should like to make some suggestions to the minister concerning further provisions to which consideration might be given. Perhaps we will have to look at the question of bail in respect of a person charged with a serious crime such as murder, or crimes involving the use of a firearm. We could look at the possibility of increasing the penalty and possibly the amount of bail, depending on the severity of the crime committed. It seems to me that an amount of $2,000 with regard to bail for a person on a charge of murder is not a very large amount. I think we should be giving some attention to the question of more serious crimes and our attitude toward bail in these cases. We may want to have a more periodic re-assessment in respect of the person on bail relating to more serious crimes.

I realize that an increase in the amount of bail works against the interests of those people who do not have money, but there are alternatives which might be canvassed, and possibly during the course of our consideration of this legislation before the Standing Committee on Justice and Legal Affairs the minister might respond to this and give us some idea of some of the things that are being considered by the Department of Justice, as well as some of the long-range plans and suggestions the department may have so that we can develop the best possible legislation in the interest of everyone in Canada.

Mr. Len Marchand (Kamloops-Cariboo): Madam Speaker, I rise to make a few brief remarks on this very important bill, C-71, which would amend the Criminal Code in several respects which I consider to be very important.

Since this is the first opportunity I have had, I should like to congratulate the Prime Minister (Mr. Trudeau) on the appointment of the present Minister of Justice (Mr. Basford). He is a colleague of mine from the province of British Columbia. This appointment has been warmly received and it comes at one of the most difficult times we have had in our history so far as justice is concerned. The incidence of crime is serious all over the country. It is particularly serious in the city of Vancouver where the present minister resides. I am very pleased with the remarks he made in his debut as minister. I think the orientation he has to deal with crime in whatever form is the right one.

My brief remarks tonight will be related to the section of the bill dealing with cattle rustling. The hon. member for Broadview (Mr. Gilbert) referred to cattle rustling in his remarks. I believe he said there is not any cattle rustling in the city of Toronto. I would not think there would be, but I want to assure members of this House that the question of cattle rustling is a serious problem in this country, and has been for a number of years.

Over the past few years since I have been a member of parliament I have received a number of very serious representations from various groups, not only in the province of British Columbia but in other parts of the country. I have received representations from the B.C. Cattlemen's Association, from the Canadian Cattlemen's Association, and from the smaller associations in various parts of my riding.

I have received suggestions to the effect that the fines are too light and that the Criminal Code is weak and does not address itself to the very serious problem of cattle rustling in a proper manner. This is the reason why I am pleased to note that now there is to be a special section in the Criminal Code to deal with this problem.

The problem was so serious, and I received so many representations from various places, that I introduced a private members' bill dealing with it during the last two parliaments. The bill in this particular parliament is C-337. I am glad it will no longer be necessary for me to press on with this particular bill.

● (2120)

My bill would have achieved a couple of things. It would have provided that every person who commits theft of cattle is guilty of an indictable offence and is liable (a) to imprisonment for ten years where the value of the cattle exceeds $50, or (b) to imprisonment for two years where the value of the cattle does not exceed $50, provided that a minimum sentence in either case shall be imprisonment for one year. This is a pretty tough measure. The thing that cattlemen want in particular is to make sure there is a minimum sentence.

I know that judges in the country do not like to have their hands tied by minimum sentences, so I can see why the Minister of Justice did not accept this particular amendment. But I want to say that the amendment which the minister brought in is acceptable to the cattlemen. It provides that everyone who commits theft of cattle is guilty of an indictable offence and is liable to imprisonment for ten years. This is a considerable improvement,

and it addresses itself to the seriousness of the problem of cattle rustling.

Under the present law, theft of cattle is dealt with under a general theft provision. If the value of the property is over $200, it is an indictable offence subject to a maximum of ten years imprisonment. Where the value of stolen goods is less than $200, the maximum improvement is two years. Again I want to thank the previous minister of justice and the present Minister of Justice for responding to the wishes of the cattlemen by bringing in this amendment to the Criminal Code. I am sure it will deal in a very effective way with the serious problem of cattle rustling.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, tonight I will reserve my remarks to the principles of the bill relating to the proposed changes in the Criminal Code on drinking and driving offences. I have some other remarks on other matters of a detailed nature which I will leave until we go into committee on this bill.

The amendments to our drinking and driving legislation are essentially a good beginning. However, I am fearful that if the new provisions pass as they stand now, their coming into force may be delayed or phased in as facilities needed to implement them are developed in areas where they do not exist now or where they are not yet adequate.

The amendment to section 234 of the Criminal Code allows the judge to impose a conditional discharge on a person charged with a drinking and driving offence. This means that the judge may require that rehabilitative measures are taken respecting the convicted person's consumption of alcohol or drugs in accordance with the terms of his order. In other words, while such a person is taking treatment for alcoholism and abstaining from its use in accordance with the judge's order, no penalty of fine or imprisonment is imposed. If he ceases to obey the order, the penalty is reinstated. In the case of such a conditional discharge, however, there is no record of criminal conviction and no penalty.

If my memory serves me correctly, this follows pretty well the recommendations of the Canadian Barristers' Association. I find that this is an excellent provision, one that goes to the root of the problem of our drunken drivers because it attempts to effect a cure. I think that it breaks new ground in our jurisprudence and, in my opinion, it is the type of thing we should be looking at more often. I commend the minister for bringing in this provision. I think it is a constructive one and it deserves the support of all members of the House.

I have two suggestions to make to the minister. There is a shortcoming in this procedure that comes in mind. If in fact the convicted person receives a conditional discharge and moves to another area where he commits a similar offence, the fact of his former conviction being erased by operation of law may not be known to the court or authorities in the new jurisdiction. This possible shortcoming can be overcome by a simple amendment clarifying the intention of parliament in this regard, and I commend such an amendment to the minister's consideration.

The rehabilitation facilities available to persons qualifying for such a conditional discharge vary from very poor or non-existent in some jurisdictions, to excellent in areas such as the Donwood facility in Toronto. This means that all Canadians do not have an equal opportunity to avail themselves of rehabilitative facilities, and if everyone is to be equal before the law the full implementation of this section will have to be preceded by some very serious and far reaching discussion between Ottawa and the provinces.

The provinces too will have to give consideration to amending their laws dealing with the suspension of licenses. The necessity for a conviction now forms the basis for the suspension of a license by a province. A conditional discharge carries no record of criminal conviction and thus provincial legislation, if left as it is, would not be applied in these cases.

Another feature of the amendments before parliament is the provision of the roadside screening process. At present under the Criminal Code—as differentiated from provincial legislation—a peace officer can require a breath sample only if he has reasonable and probable grounds to believe that the driver is impaired. This new section, which is clause 15 in the amending bill, gives the police the right to conduct roadside screening tests where an officer has reasonable cause to suspect a driver of having alcohol in his blood. In many areas of Canada the implementation of this section too will have to be delayed until provinces train personnel and obtain the necessary equipment. The purpose of this amendment is to reduce the hazard that impaired drivers present to others and to themselves.

The amendment will certainly be a great inconvenience to a large number of people and will increase the cost of police operations, but it will also reduce many road hazards and accidents, and provide greater public safety on our highways. To many people an impaired driving charge is just as serious as armed robbery.

The strict application of this amendment will stop a few impaired drivers, but we should bear in mind that no piece of legislation will eliminate them altogether. Educating the public concerning drunk driving laws and the potential dangerousness of an impaired driver is imperative if we are to reduce the number of persons committing this offence.

Penalties are often inconsistent and based on the severity of the situation. A large number of those who appear in court on a Monday morning are charged with impaired driving, but the penalties imposed in different jurisdictions of Canada vary, and so do the programs for prevention and rehabilitation.

The new amendments before parliament will provide much stiffer penalties for those who are convicted of operating motor vehicles on our highways in a drunken or impaired condition. While the proposed legislation deals more efficiently with the detection and punishment of drinking and driving offences, it leaves one significant omission, and I would be most grateful if the minister would take this up with his provincial counterparts.

There is no mention whatsoever of any responsibility being placed on those who sell alcoholic beverages for a profit. With the inception of criminality being at the stage when a person consumes the alcoholic beverage, it surely must be incumbent on those who make a profit from its sale to provide some means of testing on the premises where the consumption takes place, so that the patron who is just a few minutes away from a serious criminal charge

can save himself from a criminal record, and save other people from his becoming a menace on the highway by taking a simple test before leaving a bar, beer parlour, or lounge in an impaired condition and sitting behind the driver's wheel of a car where he becomes a menace to himself and everyone else.

Under the new penalties being imposed, there is a substantial increase. For the first offence the fine limit is increased from $500 to $2,000, and the prison term is doubled from three months to six. For a second offence, imprisonment is provided for not more than one year, where it is now limited to three months, and the minimum term of fourteen days remains the same. For each subsequent offence imprisonment for not more than one year is increased to two years, and the minimum term of three months remains the same. Amendments to the Criminal Code will provide these same penalties for failure or refusal to provide a breath sample, and for driving with more than 80 milligrams of alcohol in the blood. Whereas sections 235 and 236, the breathalyzer section and the high alcoholic blood count section, now provide only for summary conviction offences, the proposed amendments change the import of the code and create duplicate indictable offences.

● (2130)

Normally an indictable offence means that a person is entitled to elect to be tried by a jury. It also makes a serious record and has implications with respect to passports, crossing borders, pardons, fingerprinting and other matters. In addition to creating a new offence for the breathalyzer related sections, the new changes have the same penalties, whether the offences are treated as summary convictions or indictable offences. This is the same situation which now exists in section 234, driving while ability to drive is impaired. This technique has been criticized by the Canadian Bar Association.

Without question the government has in these amendments shown its intention to deal more severely with these offenders. I sincerely hope some of the suggestions I have made will help the minister in his new task.

While I have the opportunity, I should like to congratulate the minister on assuming his new portfolio and to wish him the very best of good fortune.

Mr. Andrew Brewin (Greenwood): Madam Speaker, as many other speakers in this debate have done, I should like to start out by extending my congratulations to the minister on his appointment to his high office. He has very many distinguished predecessors, and I am sure he will add further distinction to the long line of ministers of justice in Canada. I fully expect that he will exhibit firmness to ensure that crime is restrained, and fairness to ensure that it is administered with justice and humanity.

There can be no doubt that Canadians, like people in many other countries, are deeply disturbed by acts of senseless horror and violence. A general atmosphere of fear, and indeed, in some places of hysteria, exists at the present time, and this bill represents a step forward, or perhaps a few steps forward, but I am sure the minister would be the first to acknowledge that it leaves an awful lot to be done.

The minister in opening, and other speakers later, have put forward the main features of the bill. I will not try to repeat that. I just want to deal with some of those features. I approve, and I think the House generally approved, of the Bail Reform Act. That was legislation to try to bring about an element of justice in order to ensure that people without substantial means could get their freedom pending trial, rather than leaving the opportunity of bail to those who happened to be wealthier and able to put up the bail required. It therefore had excellent purposes, but in my view the administration of the Bail Reform Act has been woefully weak, and public indignation has been aroused by some incidents. This legislation is a small improvement, and of that no one can complain.

The onus has shifted, particularly in cases where someone is awaiting trial for a previous indictable offence. One indeed wonders how a person who is awaiting trial for a previous serious offence would ever be able to get bail. I wonder whether the machinery of acquainting the bail judge or magistrate with the facts which would make the granting of bail unlikely is adequate.

Are there adequate means for gathering the evidence of previous criminal offences in other jurisdictions before bail is granted? I doubt very much whether there are at the present time, and I hope that with his provincial colleagues the minister will look carefully into that aspect of the matter to find out whether there could not be a more adequate system of getting the facts to the judges and magistrates responsible for granting bail under the act. I think there would be many fewer cases of people being let out on bail who should never be let out, and then committing more crimes, if there were a more adequate system.

I should like to touch on the drunken driving provisions. I welcome them. I think the amendments proposed are excellent. Screening tests by the roadside and the requiring of breath sampling are a necessary protective action for society. There are few hon. members in this House who are unaware of the multiple tragedies caused by drunken drivers. It is absolutely necessary that this wholesale slaughter be slowed down, if it cannot be stopped. I cannot see that to require a person to accept a breathalyzer test is a serious infringement of his rights. It seems to me that it is merely something to help protect society as a whole.

I am glad that the more severe provisions in this field have been tempered by a recognition that even the drunken driver is a human being, and that the convicting judge or magistrate is given the opportunity to grant a conditional discharge requiring that the convicted person accept conditions for curative and rehabilitative measures. There are some people to whom this disease is so serious that they can be convicted and before long be doing the very same thing they did previously.

I particularly welcome what seems to me to be a return to the sound principle that in criminal matters, at least, an acquittal by a jury should be given full force and should stand. It should not normally be interfered with by an appellate court. I think that is right. It is part of our history. The jury system was there giving juries sole jurisdiction to determine the guilt or innocence of people accused of crimes. I think the sole jurisdiction of a jury arose in the days of the industrial revolution where the English courts were sometimes used in cases of industrial

strife, alleged sedition, and political matters of that sort. The English courts were used to overturn the verdicts of juries and as instruments of tyranny.

People like the famous Lord Erskine eloquently framed the jury into a potent weapon for assuring the freedom and liberty of the subject, and I must say that I hope when this bill is passed some attention will be paid to the case of an individual who has twice been acquitted in this country by a jury and, as I understand it, is still in detention.

Another feature of this legislation is to be welcomed, and that deals with its international scope. Crime has developed an international scope. We live in an age of terrorism, and hi-jacking is reported in all parts of the world. We live in an age when the diplomat, the representative from a foreign country, is not secure, but is pursued to his garden or his office, threatened, and sometimes seriously injured. This situation is helping to destroy the whole international order. The time has come for the whole international order to take much more effective steps to put an end to this particular menace. We must, by international co-operation, take firm action to end this scourge on mankind.

● (2140)

This bill does not contain any adequate and fair gun control provision, which the minister has promised but not yet produced. The minister having been in his present position for a short time only, it would be unfair and ungenerous to blame him. But I suggest, considering the recent tragedies which have occurred in this country involving the use of firearms, that their control should be given high priority and not mixed with other legislation. Let the minister introduce control legislation quickly and put it into effect.

I commend the minister for this legislation, nearly all of which is worth while and deserves support. Nevertheless, I hope he will speed the pace of criminal law reform, which is urgently needed. In my judgment many sections of the Criminal Code need amending. Many, like the insanity section, are obsolete. Others are inadequate and antiquated. We have begun making improvements but have a long way to go. I wish the minister well in his task, and I say that we urgently need speedy reform of our criminal law.

Mr. Elmer M. MacKay (Central Nova): Madam Speaker, this evening I wish to speak on a particular topic which comes within the scope of Bill C-71. Other members have spoken about other topics; with your approval I shall speak on something of great concern to sociologists and lawyers. Probably this is one of the most delicate and controversial subjects involving our criminal jurisprudence.

When we examine our rape laws, nearly every myth about women in modern society is encountered. What is particularly alarming is the great gap between society's changes in values and behaviour and similar changes in our laws. Before the early awakening of an enlightened society, a woman was considered a chattel or mere possession, and any violation of her was measured as a decrease in her value. In medieval law, rape was defined as "capturing or carrying away by force, and it may be applied to things as well as to women." Indeed, rape from the earliest times was looked on as offence against property. This type of attitude dies hard, if at all. Many believe that if a woman is a sexual person, then she cannot be raped. Thus the woman is at fault, somehow "she provoked the attack." Such ideas are not easily disproven and are often absorbed by women themselves. A rape victim then begins to wonder whether if in fact she did not cause the attack.

Although these myths are rapidly disappearing, other equally outmoded ideas still surround the concept of rape. The most evident is the distinction between "good women" and "bad women." Often when an accused is charged with rape or a related offence, counsel cross-examines the complainant—to the point which some people regard as harassment—on her past conduct and general character. This type of questioning has been allowed as relevant to the issue of consent, and often it is used to attack credibility. Some contend it leads to the appearance that the victim is on trial.

The character of the accused, on the other hand, has not regularly been in issue, unless he puts it in issue. The prosecution is not permitted to question an accused about his character, unless be becomes a witness in his own defence and tries to present evidence of his good character, or other witnesses testify as to his upright character. Neither is the prosecution allowed to question the accused about his previous criminal activities. Therefore it has been quite possible that the previous convictions of the accused for rape would never be divulged in the course of his trial. This is in contrast to the severe cross-examination of the complainant as to her previous moral conduct.

In other criminal trials cross-examination such as this is not permitted. Under the new amendments, evidence of the victim's sexual conduct with a person other than the accused will be permitted only if reasonable notice in writing is given to the prosecution. The judge will then decide, in a hearing held in the absence of the jury, whether such evidence is necessary for a just determination of the case. The judge may permit cross-examination if these matters are particularly relevant. But it would appear that if this amendment becomes law, cases where such cross-examination is allowed will be very rare indeed.

Under the present code section 142 requires the trial judge to warn the jury of the danger of convicting the accused if the complainant's testimony is not corroborated. Under the new amendments the direction is abolished for all offences listed in that section, including rape, attempted rape, intercourse with a girl under 14, and indecent assault. This deletion of the warning is not to mean that a more lax standard of proof is to be applied than in other criminal offences; it simply applies the same standard of proof, that is, proof beyond a reasonable doubt. These amendments seem simply to place women on the same footing as men, and place rape in the same category as any other serious criminal charge, which is a step in the right direction.

Amendments to section 442 provide that where the accused is charged with rape, attempted rape, indecent assault, etc., the judge must consider excluding the public when an application is made for such exclusion by the accused or the prosecution. If the order is denied, reasons must now be given. An additional amendment extends the protection to any proceedings rather than restricting it to the trial itself. The order may be made for all or part of the

proceedings, and the judge may exclude all or part of the public. Again I suggest that is a step in the right direction.

There has been one noteworthy Canadian study on rape. This was a Toronto study done by Debra Lewis for a Master's dissertation in 1974. In it rape was shown to be a nocturnal crime that seldom occurs in a public area. The typical location in the Toronto study was the offender's residence, followed by a vehicle. Victims fell into the 14 to 19, and 20 to 24 age group, and were from lower social economic occupational categories. Nearly 70 per cent of the victims were single. Referring to the offender, data on arrested offenders was used and applied therefore to only 32 cases. Over 40 per cent of the offenders were over 30 years of age; 75 per cent were white and they were from lower social economic groups. In 60 per cent of the cases in the Toronto study the victim and the offender were at least acquaintances.

Rape seems to be the most unreported of all crimes, and the number of offences that are reported compared to the number in which suspects are arrested and brought to trial is lower than the rate for any other crime against a person. It seems obvious that the reason is the extremely difficult position our present jurisprudence places the complainant in when she seeks to obtain justice for the indignities inflicted upon her.

The changing public attitude toward rape and the determination to mount a real attack on the incidence of rape have been largely responsible for the government's decision to introduce the amendments contained in Bill C-71. There are, however, several very obvious amendments that have not been introduced regarding sexual offences. Use of the words "of previously chaste character" appear four times in Criminal Code sections relating to sexual offences. Among these offences are sexual intercourse with a female employee, seduction of female passengers on vessels, and even the seduction of a female between the ages of 16 and 18 years. Along with the amendments to the cross-examination and corroboration principles, these words should have also been wiped out. This again brings the character of the victim into question, and bases the crime on the prior goodness of the victim.

The Minister of Justice's (Mr. Basford) amendments have scratched the surface of the rape issue. Further intensive studies must be conducted on such aspects as the psychological, physical, and biological results of rape and related offences, before additional amendments and recommendations can seriously be put forward.

The Law Reform Commission has entered into a contract with the Clarke Institute of Psychiatry to complete a series of studies related to sexual offences. The purpose is to evaluate the effectiveness of existing definitions of sex crimes and to recommend new definitions and systems of classification. This project began in May of 1972 and is not yet completed. Let us hope that when it is completed the Law Reform Commission will be more realistic in its recommendations than in some of the lenient philosophical utterings we have heard from this expensive commission in the past. In the meantime, are women of "previously unchaste character" to be denied equality in our criminal laws?

● (2150)

I suggest it might be more realistic, and this is something for the minister to consider, to treat the offence called rape as a form of aggravated assault. It would remove a lot of the stigma and emotion presently associated with this very ugly word from the emotional and other associations it invariably brings forward in a court of law. I commend the minister for the type of approach he is now using. I hope he will not let the matter rest where it is, but will bring forward other amendments to look at the situation of the law in changing sociological and economic conditions. I see it is approaching ten o'clock. I will confine my remarks to what I have said at this time.

The Acting Speaker (Mrs. Morin): Order, please. I must advise the House that if the minister speaks at this time, he will close the debate.

Mr. Hnatyshyn: Madam Speaker, I rise on a point of order. I appreciate that the minister is anxious to get this through as quickly as possible, but there is another member who is extremely anxious to speak. He is just leaving committee and is on his way to the chamber. I refer to the hon. member for Egmont (Mr. MacDonald).

An hon. Member: Which committee?

Mr. Hnatyshyn: The committee on international development. He has indicated that he is on his way over. I beg the indulgence of the House to allow him to come forward and call it ten o'clock.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member has already spoken on this bill.

Mr. Hnatyshyn: This is a point of order.

The Acting Speaker (Mrs. Morin): The hon. member for Egmont (Mr. MacDonald) is not here. Therefore he cannot be recognized. I will call on the minister.

Mr. Hnatyshyn: Perhaps I did not make myself clear on the point of order. The point I was making was to ask the indulgence of the House—

The Acting Speaker (Mrs. Morin): That may not be done. The hon. member for Egmont is not here so he cannot be recognized.

An hon. Member: Here he is.

The Acting Speaker (Mrs. Morin): The hon. member for Egmont.

Mr. David MacDonald (Egmont): Thank you, Madam Speaker, for your patience. Unfortunately I was in a committee of this House, and it took me a few minutes to get from the West Block to this building.

I listened with interest this afternoon to some of the comments of the minister when he was referring to the various amendments to the Criminal Code. While it is tempting to deal with all of them because they are all of significance to this House and the country, there is one in particular I will deal with because it is crucial with respect to the present situation in terms of an epidemic in this country today. I refer to the situation with respect to the

offences that are committed by those who drink and drive. I have long believed that we have here a situation which has reached epidemic proportions.

As the minister and members on all sides of this House are well aware, each year we incur millions, indeed I think it would be fair to say hundreds of millions of dollars of expenses through hospital costs, insurance costs, and the enormous personal costs as a result of those who believe it is possible to drink to excess, get behind the wheel of a car, and threaten not only their own lives and those of the passengers with them but also other innocent victims using the same and who have the misfortune to come into contact with these vehicles that are essentially out of control.

I will speak a bit more specifically about this tomorrow when I have more opportunity, but I have in recent months attempted to put into effect a series of recommendations with regard to the particular situation in Prince Edward Island. I am not sure whether my office has sent the minister a copy of the lengthy report and study we have done with regard to drinking and driving offences in Prince Edward Island.

While I know Prince Edward Island is not unique in this, we have had a very unhappy history where more than 50 per cent of the accidents that have been caused in Prince Edward Island, and we have a very high accident rate on a per capita basis, have been caused by those who have been drinking and driving at the same time.

The steps that the minister is attempting to take through this amendment to the Criminal Code will be of some assistance. I hope that it is not the sum and substance of what we, as legislators, are able to do either in a federal or provincial sense. I know that much of the implementation of the recommendations that are being brought forward will remain in the hands of those who serve in provincial offices of responsibility. I believe as well that the law in some ways acts as only a final determining factor, and really only finally in a negative sense.

Increasingly we must address ourselves to programs of education and rehabilitation which will be required if we are to deal effectively with this program. The fact, however, is that we have gradually grown into a situation of such epidemic proportions that it is very tempting to believe there is little or nothing that can be done to change the direction and increase of the present situation. I believe that not to be the case.

Certain provinces, and I think of the province of Alberta in particular, have introduced some innovative and helpful programs with respect to rehabilitation. Rehabilitation is an aspect that has to be seriously considered, looking at the number of repeat offences that have taken place with respect to those who have been arrested, charged, and subsequently convicted.

I will not delay the House any longer on this matter this evening. I will merely call it ten o'clock, and hope to proceed more specifically on this aspect of the bill the minister has brought before us.

[Mr. MacDonald (Egmont).]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

URBAN AFFAIRS—REQUEST CENTRAL MORTGAGE NOT BUY ASHBURN GOLF COURSE IN HALIFAX

Mr. Robert McCleave (Halifax-East Hants): Madam Speaker, like a well polished emerald, the Ashburn Golf Course sits on a hill on one of the sides of the great city of Halifax.

The other day I asked the Minister of State for Urban Affairs (Mr. Danson) not to permit himself to become an urban vandal by trying to procure the land there for use in a housing development. I did that because Ashburn is a very large part of the gracious living for the metropolitan area of Halifax, and because it opens its doors and the course to all comers. It is not restricted. Indeed, if it were, I would not be arguing this cause in any way in this chamber.

Years ago the developers of Halifax, men of the nature of Mr. McCurdy and Mr. Piercey, and I refer back to the thirties, looked upon Ashburn as a possible source of development. The golfers, notably scared that they would lose this magnificent course, put together a special legal arrangement.

The Halifax Golf and Country Club is owned by a number of people who have banded together in a voting trust to keep this operation as a golf club. I am indebted to Major H. E. Crowell, Chancellor of Acadia University, an octogenarian who shoots his age sometimes on this course, for the information I am now giving to the House. A Halifax lawyer, Mr. F. M. Covert, put together the voting trust. That was about 40 years ago. Since then Ashburn has withstood the assaults of the developers. It helps make the city of Halifax a very pleasant place.

● (2200)

There are other cities within whose limits golf courses are situated. Not all cities have them. Winnipeg is fortunate. The city of Hamilton is fortunate. So is Victoria, British Columbia, and Dartmouth across the harbour from Halifax has its own golf course in the heart of the city. There are other cities as well which can offer this great attraction.

But some cities have seen their downtown golf courses go for housing development. I am thinking of Verdun. Only in the east end of Montreal, as I understand it, does there exist one municipal course. Otherwise people of that great metropolis have to drive many tens of miles before they reach a suitable course.

In the national capital area, Madam Speaker, one of the features which makes it such an attractive place, apart from yourself and some others in this chamber—one of the charms is the presence of a number of golf courses near at hand.

The reason I raised my question with the Minister of State for Urban Affairs was to get some declaration from

him that his department and CMHC would not try to take over such land for housing development if there were some guarantee that these courses would be open to the public, forming as they do an essential part of living in a highly civilized style.

I think it would be a terrible thing if all urban areas were simply block after block marching away into an indefinite distance of housing and buildings, without green space or other space for people to enjoy recreation. I hope that when a reply comes from the government there will be a recognition that spaces such as Ashburn should continue as recreational areas, and that the government will never stoop to the weapon of expropriation which is the only way Ashburn could possibly be taken for housing development, since the voting members would see to it otherwise that it was used as a golf course indefinitely.

But I am not thinking only of Ashburn. I am raising this as a larger issue looking ahead at how our cities will be 20, 50 or 100 years from now, and believing there ought to be something in government policy which acknowledges the need for these recreational areas.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I am pleased to have an opportunity this evening to reply in the name of my minister to the question asked by the hon. member for Halifax-East Hants (Mr. McCleave) on November 14. He referred to the possible purchase of the Ashburn Golf Course in Halifax by Central Mortgage and Housing Corporation.

I wish to confirm information which I am sure the hon. member already has in his possession to the effect that the board of directors of the Ashburn Golf Course refused the corporation's offer. In the opinion of the board of directors of the golf course, the land was worth between $2.8 million and $3 million, a figure approximately double the price offered by CMHC. Central Mortgage and Housing Corporation is not interested in the purchase of this property at the price asked by its owners as it would necessitate a housing density too high to permit an appropriately sensitive development treatment of this attractive land.

If I may add a personal note, Madam Speaker, I know that officials of Central Mortgage and Housing Corporation are looking around Halifax for a suitable site for a housing development. I am sure the hon. member will understand that if CMHC tees off on this objective with its usual drive, it should go a "fairway" toward securing enough green to initiate an attractive and suitable housing development. Let us hope that there will not be too many slices or hooks in the process, and that all levels of government will "putt" forth their co-operation in bringing to Halifax a worth-while development financed by Central Mortgage and Housing Corporation.

NATIONAL DEFENCE—UNITED NATIONS FORCE IN MIDDLE EAST—POSSIBILITY OF REQUEST FOR INCREASED CANADIAN COMMITMENT

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, when on October 24 I asked the Minister of National Defence (Mr. Richardson) if Canada had received any request for increased involvement in the Middle East peace forces of the UN, I had in mind the broadened UN role consequent upon the Sinai agreement between Egypt and Israel, and the UN security vote in reference thereto.

This was before the recent vote in the UN general assembly which has brought forth in some quarters strong anti-UN sentiments. There have been those so distressed by the vote on Zionism that they feel Canada, because of that vote, should turn its back upon the United Nations and cancel our membership. Others have suggested that we show our hostility to the resolution by refusing to allow into this country spokesmen for the Palestinian people. I would not for a moment seek to judge or appraise the motives of those who counsel such action, but I think these are times when UN supporters should express themselves.

Suggestions that a Palestinian spokesman be prevented from addressing a public meeting in Ottawa do little to enhance Canada's reputation as a democracy. If freedom of speech is to be restricted only to those with whom we agree, it is not freedom at all. The UN resolution on Zionism was unwise, unhelpful, and unnecessary, and it would have been far better had its sponsors dropped it. But many UN delegations viewed it otherwise.

In an earlier day the United States had no difficulty in commanding a majority on almost any General Assembly vote. This condition no longer prevails, and U.S. Ambassador Moynihan's recent comment that the "decent countries" were in the minority side was something less than helpful.

Equally wrong are the suggestions that Canada should, with petulant disdain, withdraw from the UN because the majority of its members supported resolutions we oppose. With all its failings and faults the UN is still indispensable. I well remember the words of that great gentleman, scholar and statesman who the minister will remember, Hon. J. M. MacDonnell, who after a visit to the world body said, "If this organization did not exist we would have to invent it".

Canada is not a combatant in the Middle East conflict. There is no need for us to be pro or anti Arab or Israeli. We claim to be on friendly terms with all. Under such circumstances it would seem unfair to deny a voice to a spokesman for the Palestinian side while welcoming all those who come as spokesmen for the Israeli cause. A million and a half Palestinians live in hopeless despair in refugee camps throughout the Middle East, driven from their homes nearly 30 years ago. They were not consulted when their lands were alienated from them. How cruel to deny them the right to speak as well.

Canada is a founding member of the United Nations, one with a good reputation there. Much of our good will and high regard stems from the fine work of the people who have served on various UN peacekeeping forces in many parts of the world over many years.

I hope that if and when a call comes from the UN it will be given a positive response. Tours of duty in these sensitive areas are not without hardships and difficulty. It is hard not to be convinced that our forces generally are being too long denied the kind of equipment their competence and their duty require. But their capacity to perform their role is widely acclaimed and I am proud of their good

record as are the minister and his charming parliamentary secretary.

I hope, therefore, that we will follow the sane advice of Ambassador Rae and of the Ottawa *Citizen*, which in a recent editorial declared that hysterics are no help. I therefore invite a positive answer from the parliamentary secretary, and I assure her I will do my best to support efforts on behalf of the UN's continuing program to reduce tensions and inhibit the prospect for further explosions in sensitive areas of the world.

● (2210)

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, let me say to my colleague opposite how beautifully his statement was expressed. This being said, I think he will understand if I address myself more directly to the question under consideration, and that is no longer the possibility but the actual request for an increase in the Canadian commitment to UNEF's mandate.

The hon. member knows that four days after his question in the House on October 24, as a result of the renewal by the Security Council of UNEF's mandate involving an increase in the size of the force, a request was received from the Secretary General. This was a request for an increase of 20 personnel for the signals element and 16 personnel for the supply unit of the Canadian contingent, applicable January 1, 1976.

Giving additional information, I should like to remind the House that our present contribution totals 987 personnel for UNEF/UNDOF, which is the largest contribution of personnel to the force by any nation. I too would hope that, as expressed by the hon. member for Hillsborough (Mr. Macquarrie), Canada lives up to any new request for its long-term commitment to the UN, and I would say to the hon. member that the government has not yet taken a decision on the Secretary General's request for what I think is a marginal increase in our contribution.

EXTERNAL AFFAIRS—ATTENDANCE OF CANADA AT RESTRICTED ECONOMIC SUMMIT MEETING IN FRANCE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, on October 28 I put a question to the Minister of Finance (Mr. Macdonald) as follows, and it is to be found at page 8604 of *Hansard*:

> Will the minister indicate if we have been invited to the restricted economic summit meeting in France in mid-November, bearing in mind that monetary questions are to be raised there? If not, will he explain why we have been snubbed when there will be nations in attendance that have less at stake than Canada?

The minister declined to answer, stating this was something to do with the Department of External Affairs. I then put the same question to the Secretary of State for External Affairs (Mr. MacEachen), and his answer at that time was that the final decision had not been taken in respect of attendance at the summit, but Canada had expressed and was continuing to express its interest. He went on to state:

> The hon. member will recall that Canada has received quite important public support for its presence from the President of the United States and the Secretary of State. We are still awaiting a decision that we hope will make it possible for us to attend.

[Mr. Macquarrie.]

I am sorry the Secretary of State for External Affairs chose to leave the House rather than answer this question, just as he refused to answer the question of the speaker who preceded me.

This is an extremely important point. We now know that the conference was held last weekend and that the leaders of six major industrialized countries announced at the end of the three-day meeting that they had reached agreement on questions of world trade, monetary matters, and raw materials including energy. We also know Canada was not in attendance at the conference. We must ask ourselves in the name of Canada why that is so. We had the minister's word that the government hoped it would be possible for Canada to attend, so why were we refused?

We had more at stake, as I originally posed the question on October 28, than some of the nations that did attend, yet we were snubbed by these nations which chose to hold the meeting. I believe we must begin asking ourselves whether the government's past is catching up in terms of international affairs. Is the fact that we have been failing to live up to our commitments with such organizations as NATO now registering with these nations that state, "If you will not carry your load on economic matters you shall not have the political clout and voice you deem necessary"? I think the time has come when we must put the government on the spot.

In the early 1960's some 25 per cent of our federal spending was on defence, and today it is about 10 per cent. Our defence spending has slumped to 2 per cent of our gross national product, compared to 6 per cent in the United States and an average of over 4 per cent for major NATO countries. I suggest this policy has been shortsighted and we are now paying the price in loss of international credibility and stature.

The summit conference held in Paris was an important matter dealing with economic questions which the government has claimed have an influence in Canada. In fact up until recently the government stated that international conditions were the cause of inflation in this country and that there was little that could be done about that. Now we find the government is in the awkward position of not being invited to this important conference on international matters.

If I may I should like to point out that the snub we have received is possibly due to the widespread feeling among these NATO countries that Canada wants defence on the cheap, with a political voice disproportionate to its contribution. At the NATO conference this fall our allies spoke scathingly of a country which was becoming a sponge within the alliance. One top NATO defence planner said Canada has been one of the weaker brethren, the weakest in fact after Luxembourg, since 1971 when we reduced our forces in Europe from 10,000 to 5,000.

I had hoped the Secretary of State for External Affairs would treat this matter with such importance that he would reply this evening. I am disappointed that he is not here. I believe this is a very important matter. It is important, if in truth the government believes in an anti-inflationary program, that it project itself into the international scene where our voice will be heard on the matters dealt with at the Paris summit. It is not enough to receive an official communiqué or whatever the government has

received concerning that summit. Our ministers should have been in attendance. They know they should have been in attendance. I hope there will be an explanation concerning why we have received this rebuke at the hands of nations which ordinarily we have looked upon as our allies.

We are a big nation. It is time the government projected us on to the world stage as what we are, a significant nation and not one that will accept paltry communiqués from those who have made the decisions without having our counsel. I want an explanation, and every member of this House deserves an explanation.

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, may I first state that I understood the tradition in this House to be that parliamentary secretaries assist their ministers in answering questions which are dealt with at this late hour of the day. I might also add that the minister might have been quite surprised to hear about the relationship between the Rambouillet summit and our contribution to NATO. I should like to make it quite clear that France did not refuse the attendance of Canada at Rambouillet. We simply were not invited. This is quite a different matter.

If the hon. member opposite were more familiar with the defence budget of NATO I believe he would know that the position of France regarding NATO would not, in the logic he used, have the consequence of excluding Canada from the Rambouillet conference. Having said this may I remind my colleague opposite that the minister stated more than once in the House that should Canada not be invited to the Rambouillet conference "it would not be helpful"—and I am using his words—and "it would not have a favourable effect on our bilateral position." This is pretty obvious, but it does not mean we take it as a provocation. We hope that our bilateral relations will develop in harmony more and more week after week. We thought it would be very important for Canada to participate in the Paris summit.

● (2220)

[*Translation*]

The matter at hand involved national and international economic interests. In our estimation, our national and international interests warranted our presence, even though the Canadian market represents only about 22 million inhabitants and cannot compare with the European Community or with Japan. But, the point of view of the host country, the hon. member will recall, I think, was to keep the group of participants to a very limited number.

Still the results of the conference seem very positive and as soon as Canada will have the opportunity to analyse the reports, it will divulge its views on each point on which agreement was reached.

Motion agreed to and the House adjourned at 10.23 p.m.

HOUSE OF COMMONS

Wednesday, November 19, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HIGHWAY SAFETY

PROPOSED SUPPORT FOR THE LEGISLATED USE OF SEAT BELTS—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I have a brief motion to read, one which I hope will find ready acceptance and which could be adopted without debate.

In view of the utterly tragic and needless toll taken by traffic accidents each year, which has spared few Canadians from the misery and grief that accompanies the inquiry or death of persons close to them, and which is responsible for the loss of over 6,700 Canadian lives a year, and in view of the singular potential held by safety belt usage for a dramatic reduction in such senseless destruction, as has been recognized by the Minister of National Health and Welfare, the legislature of Nova Scotia and, now, the Government of Ontario, in their commendable actions to ensure that this potential is not lost to Canadians, I ask leave to move, seconded by the hon. member for Maisonneuve-Rosemont:

That this House encourage and support the efforts of all provincial governments across Canada in implementing laws designed to protect Canadians through the legislated use of safety belts.

Mr. Speaker: With some reservations having to do with the urgency of the motion, I suppose I might ask whether there is the necessary unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No!

* * *

[*Translation*]

THE CANADIAN ECONOMY

SUGGESTED ADOPTION OF MEASURES TO COMBAT UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to deal with a matter of urgent and pressing necessity.

As part of the anti-inflation policy of this government where it is necessary and obvious that we must fight unemployment seriously and efficiently while trying to beat inflation to the ground, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That this House request the government to table before hon. members of the House a global project for efficiently fighting chronic unemployment in our country as soon as possible, with particular attention to the most deprived areas and the fact that the winter season is coming quickly.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

LABOUR CONDITIONS

REQUEST FOR TABLING OF BAYDA REPORT ON GRAIN HANDLING—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Over one year ago the Minister of Labour appointed Mr. Justice E. D. Bayda a one-man commission to investigate grain handling through the Port of Vancouver and to make recommendations with respect to alleviating delays arising through labour disputes and other circumstances.

In view of the fact that the Minister of Labour has indicated on numerous occasions that the report of Mr. Justice Bayda will be of considerable importance in helping to ensure uninterrupted grain deliveries through the Port of Vancouver in the area of labour-management relations, and in view of the fact that the government has been in possession of the report and recommendations of Mr. Justice Bayda for over four months now, I would move, seconded by the hon. member for Kootenay West:

That this House direct the Minister of Labour to demonstrate his own dedication to avoiding unwarranted delays by immediately tabling the report of Mr. Justice E. D. Bayda.

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

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

AGRICULTURE

REQUEST FOR INVESTIGATION OF FLUE-CURED TOBACCO INDUSTRY—MOTION UNDER S.O. 43

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise on a question of pressing and urgent necessity related to the tobacco industry in Canada. Whereas the cost of production of flue-cured tobacco has increased from 1974 to 1975; and whereas the buyers of Ontario flue-cured tobacco are paying less on the auction markets than was paid at the same date last year; and whereas there is much farmer dissatisfaction with the current market prices, to the point of closing down the auction warehouses; I therefore move, seconded by the hon. member for Elgin (Mr. Wise):

That this government, through the Minister of Consumer and Corporate Affairs, launch an immediate investigation into three areas of the tobacco industry. First, the buying practices and prices paid for Ontario flue-cured tobacco on the auction floors; second, the pricing of cigarettes to the Canadian consumer; and third, the possible curtailment of the export of Canadian tobacco through the pricing methods being used by the companies.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

SUGGESTION GOVERNMENT ISSUE SEPARATE NOVEMBER AND DECEMBER FAMILY ALLOWANCE CHEQUES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present under Standing Order 43 a motion the urgency of which will be quite clear. In view of the fact that the government's decision to combine the November family allowance payment with the December payment and to send out only one cheque, which will not be sent out until the month of December, will cause a great deal of inconvenience and in many families real privation, I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government to reconsider its decision to combine the family allowance payments for November and December into one cheque to be delivered in December, and to make every effort to deliver the family allowance cheques for November as soon as possible, certainly before the end of this month.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION IN VIEW OF ALLEGED LIMITATION ON COLLECTIVE BARGAINING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the right hon. Prime Minister following his quite correct statement yesterday that the government has limited the maximum amount of monetary benefits it can offer to the postal workers as a result of its general guideline program of controls. Has the time not arrived when parliament should be asked to intervene to restore this essential service, since the government has already restricted in fact the scope of collective bargaining on the main issue in dispute?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have had occasion before to indicate that there should not be confusion between the government's anti-inflation program, which does in fact indicate guidelines within which we hope collective bargaining will fall, and the right to collective bargaining itself. We have taken the position that employers and employees should take notice of these guidelines and find themselves bound by them in a voluntary sense. But they are only bound to negotiate in good faith. The Anti-Inflation Board will intervene if it finds that a collective agreement arrived at is not within the spirit and the letter of the guidelines.

We have interpreted the guidelines in a way which has permitted the Postmaster General to make an offer to the union. Beyond that offer it is our judgment that we cannot go without risking the offer being struck down by the Anti-Inflation Board. It is really a matter of judgment. At the present time parliament itself has certainly not indicated overwhelming or unanimous support for the position of the government, but we are letting the strike process take its normal course.

Mr. Stanfield: A supplementary question, Mr. Speaker. I wonder how the Prime Minister reconciles that comment with his response to the leader of the New Democratic Party yesterday, where he is reported at page 9184 of *Hansard* as saying:

—because of the anti-inflation guidelines we are limited in the maximum amount of monetary benefits we can offer at this time. We have gone to that limit and I think it would be misleading the people to name a mediator with that implication.

I should like to ask the Prime Minister whether it is not equally misleading to pretend that the government is not asking parliament to restore this essential service because this would interfere with the collective bargaining rights given by parliament, when in fact the government has already modified that right very substantially.

Mr. Trudeau: Mr. Speaker, I am afraid the Leader of the Opposition must have missed part of my answer. I answered that very question and I will repeat my answer in another form, just as the question was put in another form. I said that in our judgment this is as far as we can go as an employer within the guidelines. That remains our judgment, Mr. Speaker. It does not mean that the right of

collective bargaining is taken away. It means that this employer is trying to follow the spirit and letter of the guidelines, and has said this is as high as we can go. If we thought we could go higher there would perhaps be justification for a mediator. We do not think we can without breaking the guidelines, and if this is our thought it is our duty to make no greater offer than this because we would be subject, at least theoretically, to a fine if we went beyond what we think is as much as we can offer.

Mr. Stanfield: Mr. Speaker, fully agreeing with the Prime Minister's statement that the government is limited by its general policy as to what it can offer, and accepting that, is it not correct that the Prime Minister is simply playing with words when he pretends that it would be interfering with a right given by parliament to bargain collectively when in fact that right has already been restricted? Is the Prime Minister not playing with words when he suggests that this right has not been severely circumscribed, and will the Prime Minister frankly tell the House what is the real reason he does not come before the House to ask parliament to restore this essential service in these circumstances?

Mr. Trudeau: Mr. Speaker, the answer is no, it is not correct to make that assumption. The government as an employer has bargained in—

An hon. Member: He is playing with words.

Mr. Trudeau: The government has bargained as ably as we can to achieve a result that was not inflationary but which would be fair to the employees. That is why there is a strike because our judgment is obviously not shared by the union leaders. At some point in every strike which adversely affects the public interest, parliament as a whole may be called upon to endorse the government's position, if the government wants to put the question before parliament, and perhaps legislation to bring the workers back to work.

Mr. Horner: Haven't we reached that point?

Mr. Trudeau: We have not reached that point yet, Mr. Speaker. Certainly, the logic of the Leader of the Opposition does not lead me in that direction. I repeat, we have as an employer made an offer which we find is reasonable and fair. The union itself has decided to go on strike. At some point in the future perhaps this parliament will be asked to say whether the government is right in its offer or not.

STRIKE OF INSIDE WORKERS—PROPOSED SECRET BALLOT ON GOVERNMENT OFFER

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I would like to ask a supplementary question of the Prime Minister concerning his answer last Wednesday to a question in the House in which the Prime Minister said the idea of special legislation under which a government supervised vote would be conducted was "a proposition which might be worth considering at a later date". I should like to ask today, in view of the continuing post office shutdown which is causing untold layoffs and bankruptcies across the country, and in view of suspensions by the union in Vancouver of workers circulating a petition urging a secret ballot, is the government now giving active consideration to this proposition and, if so, when will the government be able to advise us of its intention?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this seems to be a repetition of the previous question. I would just give the usual answer. If the opposition is to get queasy as soon as the strike begins to last and economically hurt one or the other of the parties, surely its remedy—

Mr. Horner: It hurts the innocent party.

Mr. Trudeau: —surely its remedy should be that there is no right to strike in the public service.

Some hon. Members: Oh, oh!

Mr. Trudeau: Some members of the House seem to take that as a religion, but until that is the law of the land, Mr. Speaker, we have to realize that a strike is a strike and it hurts people. That is the very nature of a strike.

Some hon. Members: Oh, oh!

Mr. Clarke: Mr. Speaker, the Prime Minister has said that at sometime the government might consider action by parliament. I should like to remind him that the government has legislated the end to strikes three times in the last few years.

● (1420)

STRIKE OF INSIDE WORKERS—REQUEST FOR RESUMPTION OF NEGOTIATIONS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Postmaster General. Considering that the best solution to the postal strike is one that is acceptable both to the workers and to the post office, and considering that the postal workers have indicated their continuing willingness to negotiate and as recently as a press conference at noon today said they want negotiations to resume in which they would be flexible on all matters, I should like to ask the Postmaster General if the government would indicate an immediate willingness to resume negotiations as early as this afternoon.

Hon. Bryce Mackasey (Postmaster General): Well, Mr. Speaker, I must confess I have not heard the union's request to resume negotiations through the media or from their unofficial spokesman here. I recall my parting words when we suspended negotiations. I said we were prepared to resume any time the union felt like calling 998-9620. There are 18 different extensions and I would be more than happy to resume this afternoon so long as the union understands there is no flexibility in the monetary items as I have already explained. Having said that, Mr. Speaker, there are as the union has pointed out many other areas that could be negotiated. We could, for instance, lower the shift premium.

Mr. Speaker: Order, please. There seems to have been a rather complete answer up until this point. Perhaps we could get to the supplementary.

Mr. Broadbent: Considering that the minister just acknowledged it was the government which suspended negotiations and not the union, I should like to ask the minister why a request that was made in a communication that was delivered to the President of the Treasury Board last Friday asking for the resumption of negotiations has not yet been replied to by the government.

An hon. Member: They mailed it.

Some hon. Members: Hear, hear!

Mr. Mackasey: Mr. Speaker, I am quite prepared to say that we suspended negotiations. After 11 months of meeting demands, at least 25 beyond the recommendations of the judge, and faced with a demand at the last moment by the union of a 35-hour week, a $2.73 pay increase, not over 30 months but 26¾ months, longetivity pay and increased holidays beyond what was offered as well as 18 other monetary issues, I thought it was time to suspend negotiations until they came to their senses and understood there is only so much money. I am prepared to go back to the negotiating table and re-arrange some of those monetary issues. Possibly those in the top bracket might be prepared to sacrifice some money and give it to those at the bottom end of the scale.

Mr. Broadbent: I have a final supplementary, Mr. Speaker. Since what the minister has just said, if I understood him correctly, is that the government suspended negotiations because it is taking a fixed view on the monetary issue and therefore was not willing to talk about other matters and broke off negotiations, is the minister then saying the government is prepared today to let the union know it will resume negotiations with the same flexible attitude on the issues under dispute as the union has indicated it is willing to approach all matters at this time.

Mr. Mackasey: When events unfold the hon. member will understand, in his attempt to be an honest broker, that he is simply prolonging the strike unnecessarily and that there are many things that go on in private in the field of negotiations that cannot be revealed. The hon. gentleman should know what I am talking about, and if he does not, if he wants to jeopardize these informal negotiations, then he is going about it in the best possible way.

Some hon. Members: Hear, hear!

* * *

[Translation]

THE CANADIAN ECONOMY

SALARIES OF MEMBERS OF ANTI-INFLATION BOARD—ADHERENCE TO WAGE GUIDELINES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs.

Can the minister tell the House whether the salaries of the members of the Anti-Inflation Board have been disclosed and whether they comply with the government guidelines?

[Mr. Speaker.]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased to confirm that the chairman of the Anti-Inflation Board has received the status of deputy minister grade II with a salary range between $49,000 and $60,000. Mr. Pepin has, however, accepted an intermediate salary of $54,000 which is quite commendable since he has lost his M.P. pension amounting to some $8,000 a year. The deputy chairman is at the DM I level with a salary range of $40,000 and $50,000. Mrs. Plumptre has, however, insisted on receiving the salary she had as chairman of the Food Prices Review Board, that is $40,000. Finally, the other members are paid $200 per working day—less than what is often paid to consultants or what they could get in their profession.

* * *

[English]

EXTERNAL AFFAIRS

PORTUGAL—POSSIBLE DISCUSSIONS WITH GOVERNMENT CONCERNING DISPLACED PERSONS FROM ANGOLA

Mr. Peter Stollery (Spadina): Mr. Speaker, my question is for the Secretary of State for External Affairs. Over the past several months has the minister had discussions with or representations from the Portuguese Ambassador regarding displaced persons from Angola, and, if a further airlift is required by the Portuguese to remove their people, is the minister considering the use of Canadian armed forces aircraft?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have had conversations recently with the Portuguese Ambassador in which we discussed two questions: first, the possible economic co-operation between Canada and Portugal, and the response of the Portuguese government to the invitation extended by Canada to engage in discussions toward some forms of economic co-operation, and in that respect we expect a mission from Portugal to hold these discussions in Canada. On the question of persons who may be leaving Angola for Portugal and who may wish to come to Canada, the ambassador reiterated a request from his government that we give favourable consideration to taking additional people into Canada. I assured the ambassador that we would give further consideration to the representations which he had made.

* * *

FINANCE

REQUEST FOR ESTIMATE OF REVENUES FOR 1976

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. As we attempt to identify the government's fiscal and monetary stance within its so-called anti-inflation program, would the minister indicate what would be his current estimate of revenues in the fiscal year 1976, bearing in mind that he has already indicated he feels the deficit shown in the June 23 budget would still be his current estimate of the deficit in our budget this year?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not think it is useful to attempt to give precise figures as the year goes on. As I indicated, the judgment at the moment is that we would remain within the same frame as indicated.

● (1430)

POSSIBILITY OF FURTHER SPENDING PROGRAMS—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): On October 30 the President of the Treasury Board indicated that he felt government spending would be held within his original limit. We now know that it is $1 billion in spending higher than originally shown in the budget of June 23. I should like to ask the minister to confirm whether the President of the Treasury Board was correct when he indicated that the total remains unchanged, and that if the Minister of Finance has some fresh announcements to make, he will make them. Has the minister any fresh announcements to make with regard to further spending programs with respect to the budget announced on June 23?

Hon. Donald S. Macdonald (Minister of Finance): Not at the moment, Mr. Speaker.

* * *

HIGHWAY SAFETY

PROPOSED ADOPTION OF PRIVATE BILL MAKING USE OF SEAT BELTS COMPULSORY

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of National Health and Welfare. With respect to his well-known support for the legislated use of seat belts, and in view of exchange of correspondence with regard to my own bill, C-410, which would allow the government to introduce seat belts in motor vehicles operated within its jurisdiction, I wonder if the minister has had an opportunity to consult with his colleagues about the possibility of bringing this bill forward, or one similar to it, in order to provide some leadership in this area, which would obviously be very welcome.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I appreciate the support given by the hon. member to the principle of legislation to enforce wearing safety belts in vehicles. I am as happy as he is about the developments that have occurred in Nova Scotia and Ontario. I hope the other provinces will display the same courage in this endeavour. About the hon. member's bill, I have not had the opportunity to discuss it with my colleagues, but I still believe that the best formula would be to leave this matter with the provinces rather than ask the federal government to enact special legislation.

[*English*]

COMPULSORY USE OF SEAT BELTS—CONSULTATION WITH PROVINCES TO ACHIEVE UNIFORMITY

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the comments within the last day by the minister of highways in British Columbia about the need for some uniformity and standardization, and considering the amount of interprovincial traffic there is in this country, has the minister and/or his officials been in consultation with the B.C. minister, and are plans currently under way to assist in some useful standardization and uniformity so that more satisfactory results can be achieved from this legislative initiative?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, in regard to the whole question of road traffic safety, there is a very important initiative which has been under way for some time co-operatively between the federal government and the provinces, and this is showing up by way of a good number of new technological devices, as well as advertising, and an indication to people about how to best go about safer driving. I think all of this is bound to produce some good results.

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FOREIGN INVESTMENT

ATTEMPTED TAKEOVER OF WESTINGHOUSE BY WHITE CONSOLIDATED—GOVERNMENT ACTION TO PROTECT JOBS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that the minister has had conveyed to him by the Minister of Labour the concern of the union leaders at Westinghouse Canada in Hamilton and has indicated he will meet with the union officials to assure them, as best he can, of the security of their jobs, what ongoing action is the minister taking to resolve this matter, bearing in mind that if the delicate matter of the use of the name Westinghouse in Canada is not cleared with considerable speed, there will be serious erosion in the level of orders on the books of Westinghouse, and it may lose some of its very expert key personnel?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, once again I must remind the hon. member that his use of the word "delicate" emphasizes why I must answer with extreme caution in this case. On the matter of the relationship with the union, as referred to in my answer the other day, we have been in touch with them this morning and indicated that we will meet with them—that is, I, my officials and any others who may be involved—at a time when such talks might prove to be productive, but that may not be for a matter of two or three days because to the best of my knowledge negotiations and talks between the interested parties are still continuing.

ATTEMPTED TAKEOVER OF WESTINGHOUSE BY WHITE CONSOLIDATED—POSSIBILITY OF RENEWED APPLICATION TO REVIEW BOARD

Mr. Bill Kempling (Halton-Wentworth): The minister indicated Monday that a new application could be made to the foreign investment review agency by the parties involved in this matter. Can the minister indicate that if an application were made, it would be given priority status before the agency in an effort to resolve this matter?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): With respect, I think that is hypothetical at the moment. What I was quoting to the hon. member was the law, which indicates that any applicant who is turned down can re-apply. Whether the applicant in question wishes to re-apply is something which that company alone can decide.

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EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON RESULTS OF ECONOMIC SUMMIT MEETING IN FRANCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It has to do with agreements arrived at or accords achieved at the recent economic conference convened by the Republic of France and in which Canada was spurned as one of the participating countries. Will the minister say what is the nature of the agreement which has been arrived at, apparently between the secretary of the treasury of the United States and the French foreign minister, an agreement which has been presented to 18 other countries to ascertain their support? The agreement I have in mind is the one which will lead to the monitoring of currency exchange rates on a daily basis and intervening to stabilize them whenever they appear to fluctuate without underlying economic reasons. This agreement on world economy, the most important ever arrived at between the nations, is one which I would appreciate if the minister could acquaint the House with and also with what the attitude of the Canadian government is with respect thereto.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I can be very brief in my reply to the right hon. gentleman. We have not yet been asked to concur in any conclusions which were reached at the summit. When we are asked and when we receive a formal proposal, we will then consider it. However, that is the situation at the moment.

Mr. Diefenbaker: Does the minister say that Canada has not received this plan? The other 17 nations have, and surely Canada is not going to be spurned again.

Mr. MacEachen: I merely reiterate that I have not received any proposal seeking Canadian concurrence in an agreement between France and the United States.

Mr. Diefenbaker: Canada is out in the dark again.

REQUEST FOR TABLING OF LETTERS EXCHANGED WITH FRANCE IN RELATION TO ECONOMIC SUMMIT MEETING

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a short supplementary question for the Prime Minister. Will the right hon. gentleman agree to table or to make public the letters exchanged between the president of France and himself about the six-nation meeting at Rambouillet?

[Mr. Kempling.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is not customary to make public exchanges of correspondence between heads of governments. I received letters from other heads of government on this matter as well as from President Giscard d'Estaing. If it is in any way helpful to the hon. member, I could say that the letter, apart from being very courteous, indicates the reasoning, which the president gave publicly, for not inviting Canada; namely, the reasoning that this would enlarge the summit in a way which if Canada came in, other countries would have to participate, and so on. This is not the Canadian view, and as the Secretary of State for External Affairs has indicated, we are not in agreement with that view. However, that is the substance of the letter, and it is nothing the president has not said publicly already.

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[*Translation*]

LABOUR CONDITIONS

STRIKE OF PAPERWORKERS IN GASPÉ—REQUEST EMPLOYERS BE FORCED TO NEGOTIATE

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): My question was for the Minister of Labour, Mr. Speaker, but because he is absent from the House, I shall direct it to his parliamentary secretary.

Because of the disastrous effects the strike in the pulp and paper industry is having on the economy of this country as a whole, but more specifically on areas such as Gaspe, which is not very healthy as it is, and because also of the refusal to negotiate, which I feel is dishonest on the part of several employers, and since Bill C-73 has not yet been adopted by Parliament, could the minister use the influence attached to his position to convince these employers to sit down and negotiate as soon as possible?

[*English*]

Hon. John C. Munro (Minister of Labour): I most certainly am, Mr. Speaker. I do not see any reason at all why the employers in question will not sit down to the table with the union and endeavour to bargain collectively at this particular time, and I would urge them to do so.

* * *

● (1440)

ENERGY

SALE OF REACTOR TO ARGENTINA—POSSIBILITY OF PROCEEDING WITH CONSTRUCTION IRRESPECTIVE OF RENEGOTIATION OF AGREEMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources regarding the $15 million loan the government is making to Atomic Energy of Canada Limited for the purpose of proceeding with the preliminary stages of the construction of the CANDU reactor in Argentina. In view of the fact that the minister has told the House that the agreement is being renegotiated because the original agreement did not have provision for escalating costs which could result in AECL having a loss of $100 million to $160 million, may I ask if this loan to AECL

means that the agreement has been successfully renegotiated or does it mean that the government intends to proceed with the construction of the CANDU reactor in Argentina irrespective of whether the agreement of 1973 is renegotiated?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, as I told the House last week the Argentine government has been advised of the Canadian government's wish and intention to renegotiate the commercial terms of that particular contract. There was a meeting several months ago, I think in the middle of August, and there is to be another one within the next few weeks at which time the bargaining would get down to the fine strokes. As to the question of the $15 million standby loan, that is to provide financing of AECL so that it can continue to honour the terms of the existing contract.

SALE OF REACTOR TO ARGENTINA—PROCEDURE TO RECOVER FUNDS EXPENDED IF SAFEGUARD AGREEMENT NOT SIGNED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact that Canada and Argentina have not yet concluded an agreement regarding nuclear safeguards, I want to ask the minister what procedures he has set up for AECL to recover its expenses from the government of Argentina in the event there is no safeguard agreement or that a successful renegotiation of the 1973 agreement is not completed?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think it has been stated in the House that we feel we are very close to a successful conclusion of the safeguards agreement. I would hope that would be signed before the end of the year.

* * *

THE MINISTRY

INQUIRY AS TO ANNOUNCEMENT OF NEW MINISTER OF COMMUNICATIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, a question for the Prime Minister. As nervous tension among his backbenchers is rising daily and obviously, as each hovers close to their telephone waiting for the call to come through advising them that they are the new minister of communications, would the Prime Minister do the humane thing and make the announcement in the near future so that these poor wretches may get back to a more stable state of mental health?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member were as perceptive of these vibrations as he says he is, perhaps there would be a bit more rotation on his own side to let some of those backbenchers come forward.

Some hon. Members: Hear, hear!

Mr. Hees: I brought him along! A supplementary, Mr. Speaker, regarding the reason that the appointment has been open since October 14 last. Is the minister aware that today when Conservatives meet each other, they do not say, "Hello", or "How are you" but raise their right hand and say—"Hochelaga"!

* * *

[*Translation*]

FISHERIES

INQUIRY WHETHER AGREEMENT WITH NORWAY LIMITED TO FISHERIES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to direct a question to the Minister of State (Fisheries).

In the light of the announcement made by the minister about an agreement with Norway regarding Canadian offshore limits, has Norway recognized only the Canadian jurisdiction to determine a fishing area, or have they recognized as well the claims made by Canada about everything which relates to an economic zone?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I will have to check into the actual wording of the agreement. But if my memory serves me well, it is only concerned with fishery. I will check into it and advise the hon. member.

* * *

[*English*]

FOREIGN INVESTMENT REVIEW BOARD

SUGGESTED REFERENCE OF ANNUAL REPORT TO STANDING COMMITTEE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, a question for the Minister of Industry, Trade and Commerce. Would the minister advise his colleagues and particularly the government House leader to have a motion put down to refer the annual report of the Foreign Investment Review Board so that the operation of that agency and the principles on which it has proceeded to date could be reviewed by the Standing Committee on Finance, Trade and Economic Affairs, as has been requested by a number of people, to see how they are getting along?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I certainly have no quarrel with the principle of getting full discussion on the first year's operations by whatever appears to be the most suitable means of doing so. I will be glad to discuss it with the House leader, and advise the hon. member in the House.

* * *

FINANCE

GOVERNMENT POSITION ON TAXATION OF PROVINCIAL CROWN CORPORATIONS

Mr. James Gillies (Don Valley): Mr. Speaker, a question for the Minister of Finance. Bearing in mind the Saskatchewan government's contention that the nationalized potash industry will be tax exempt, would the minister give the

federal government's position on the taxation of Crown corporations in the provinces?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not have anything to add to the statements made by my predecessor in this connection. In more general terms, we do not feel the provincial governments should use their jurisdiction, whether by way of royalties or by way of Crown corporations, to prevent the federal government from getting a just return for national purposes from the taxation dollar. In that sense, I think we will need to have very close regard for the form that the Saskatchewan proposal takes and we will examine it very closely before making a further statement.

* * *

HEALTH SERVICES

CLOSURE OF HOSPITAL AT CHESLEY, ONTARIO—GOVERNMENT ACTION

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Is the minister aware that the Ontario minister of health today closed the community hospital in Chesley, Ontario, the first of 20 such closures planned in Ontario, depriving such areas of much needed medical facilities? The hospital serves some 8,000 area residents who will now be required to travel to Owen Sound where the medical facilities are overtaxed. Would the minister use his good offices to urge the Ontario government to restore this essential service to the area and do everything in his power to prevent the closure of the 20 essential community hospitals?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I understand the concern of the hon. member at the closure of this particular institution. I will be pleased to bring his representation to my colleague, the minister of health in Ontario. The hon. member will recognize, however, that the administration of the hospital system is the responsibility of the province.

* * *

[*Translation*]

AIR TRANSPORT

USE OF FRENCH IN AIR TO GROUND COMMUNICATIONS—GOVERNMENT POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I want to ask a question of the Prime Minister.

Last Friday, the office of Mr. McLish, director of civil aviation in Canada, issued a guideline stipulating that only the English language is to be used for air to ground communications in almost all cases, which revives an important debate and could have serious consequences, including disrupting the air service of the Quebec government. First, can the Prime Minister say whether the federal government has had anything to do with the issuing of this guideline and, second, can he tell the House how it is possible to reconcile this guideline, aiming at strengthening unilingualism in air to ground communications, with the language policy of the federal government, which advocates bilingualism and even spends a lot of money for that purpose?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, several Liberal members having expressed their concern to me about this matter, I have had the opportunity of examining the file. I listened closely to what the Minister of Transport had to say yesterday in the House. There seems to be misunderstanding about that matter and since emotions run high on the subject I feel that it is important that the present position of the federal government should at least be understood. The instructions alluded to by the hon. member, and about which much has been written, is not new. It is a repetition of the situation that existed, thanks to the initiative of the former Minister of Transport, and which consisted in extending bilingualism to five other airports in Quebec, under certain circumstances. So, that experience marked the progress of bilingualism. The situation remains the same now. The government wanted to make an effort to see if bilingualism and the importance of security could not be reconciled. The government is very much concerned about those two elements: the effort was successful but should be studied further. Therefore, neither the House nor the people should think that there has been a withdrawal with regard to that stand. The position was progressive, it remains so, and I trust there will be more progress. But those instructions are nothing new, neither one way nor the other.

* * *

● (1450)

[*English*]

HEALTH SERVICES

INQUIRY AS TO REPLACEMENT FOR DR. WIGBY OF WATSON LAKE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of National Health and Welfare which perhaps more appropriately should have been supplementary to the question asked by his backbencher. Now that the government has again thrown into jail Dr. Stephen Wigby of Watson Lake, what steps has the minister taken where it is his responsibility to provide medical services for the community, and surrounding areas, served by his department and that doctor until the doctor is released from jail?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the government does not throw doctors into jail; the courts do.

Mr. Nielsen: Mr. Speaker, since it was at the instance of the minister's department that Dr. Wigby was charged and thrown into jail for failing to comply with medicare requirements in the Yukon, what steps does the minister intend to take to provide medical service while this doctor is in jail?

Mr. Lalonde: Mr. Speaker, my department is always trying to provide medical services in the north in the best possible way. In this particular instance, arrangements are being made to ensure that these people receive high quality service.

EXTERNAL AFFAIRS

CHILE—SUGGESTED PROTEST OF DISREGARD FOR HUMAN RIGHTS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of information recently received that the ecumenical committee of cooperation for peace in Chile (Copachi) was closed on Saturday, November 16 by order of the Chilean junta with four of its lawyers, a number of priests including its Jesuit former secretary, Fernando Salas, and a number of people associated with the council including one woman six months pregnant, being arrested or mysteriously disappearing and in view of Amnesty International's latest report documenting torture under the military junta in Chile, specifically referring to inhuman treatment of women detained by the junta's secret police—

Some hon. Members: Order.

Mr. Hees: Turn the page.

Mr. Rodriguez: Don't be so anxious. Has the government approached the Chilean junta to protest this disregard for civil and human rights and if the government has not done so, does it intend to do so now?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have frequently expressed our concern about the situation in Chile at the United Nations and elsewhere. The government of Chile is well informed as to our attitude on the situation in that country.

* * *

REGIONAL ECONOMIC EXPANSION

DATE OF DECISION ON GRANT TO CROCUS FOODS, MANITOBA

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is to the Minister of Regional Economic Expansion. Has the federal government made a decision to reject the Manitoba provincial government's request for the construction of a dairy processing plant in Manitoba by the name of Crocus Foods Limited, a plant, I may add, that was not needed in the first place?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker the department will make a decision shortly about this matter. However, the hon. member will have to wait for the two parties to publish their decision.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise with the indulgence of the House.

Some hon. Members: Hear, hear!

Mr. Paproski: I would like to express my best wishes to the Prime Minister on his visit to Calgary on Sunday. Is the right hon. Prime Minister, the gentleman from Montreal, giving odds on the outcome of the intellectual and cultural contest on Sunday, Grey Cup '75?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not a betting man. If I were, I would bet that the Polish Canadian who sits opposite will be disappointed next Sunday.

Some hon. Members: Hear, hear!

Mr. Paproski: How about betting on the next election?

* * *

POST OFFICE

ALLEGED THREAT OF EXPULSION OF POSTAL UNION MEMBERS IN BRITISH COLUMBIA—POSSIBILITY OF PROTECTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Postmaster General. Postal union members in British Columbia have been threatened with expulsion if they continue to gather names demanding a secret ballot. What protection if any have these workers?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, as public servants, they do not have to belong to a union. If suspended, they can continue to work and under the Rand formula, so long as it is accepted, their job is not in jeopardy. If they are threatened with violence, they will have the full support and protection of the proper authorities. If there is any intimidation, as there was in Regina the other day, there will be arrests. The only regret I have about the arrests in Regina is that one of the two who were arrested is a non-postal employee named O'Sullivan. There is one of that name missing from the House of Commons today. I do not know if that is a coincidence or not. However, I can assure the hon. member there will be full protection of the police against intimidation and threats. In so far as expulsion from the union, union membership is not a requirement to work in the post office.

STRIKE OF INSIDE WORKERS—POWER OF PUBLIC SERVICE STAFF RELATIONS BOARD TO ORDER SECRET BALLOT ON GOVERNMENT OFFER

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Postmaster General. In view of the fact that a substantial majority of the House has indicated they favour some form of secret ballot of the union membership, has the government satisfied itself that the Public Service Staff Relations Board has the power to order such a secret ballot? If not, does the government intend to introduce an amendment to the Public Service Staff Relations Board Act making this possible?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, Section 18, in the opinion of some people, does provide the Public Service Staff Relations Board with this authority. However, this is really academic because when

and if some time in the intermediate and long distant future such legislation is needed, that legislation could provide the Public Service Staff Relations Board with the proper authority and with the proper penalties at its disposal in the event there is any resistence by the unions against the secret ballot on behalf of their workers. Of course, that is a long way away.

* * *

EXTERNAL AFFAIRS

HELSINKI AGREEMENT—METHOD OF DETERMINING EXTENT TO WHICH COMMITMENTS FULFILLED

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Will the minister inform this House whether his department or some other arm of the federal government has established a plan to follow very closely the way in which the commitments of the final act of the European conference on security and cooperation undertaken at Helsinki last July are being fulfilled or violated?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, a review conference will be held in Belgrade two years hence, in 1977. That is where it will be possible to assess to what extent the principles adopted at the Helsinki conference have been implemented. We have obviously expressed our concern that these principles be implemented, but this will be determined when the evaluation is made at Belgrade.

* * *

POST OFFICE

REASON FOR ALLOWING STRIKE OF INSIDE WORKERS TO CONTINUE

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is to the Prime Minister. It is with regard to the postal situation. Is it the intention of the Prime Minister to allow the postal strike to continue so as to keep the public's mind off this anti-inflation policy?

Mr. Speaker: Order, please.

* * *

NATIONAL FILM BOARD

POSSIBILITY PRIVATE PRODUCERS ALLOWED TO COMPETE FOR GOVERNMENT CONTRACTS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Secretary of State. In his absence, I will direct it to the President of the Treasury Board. On July 4, 1972, the former Secretary of State told the Standing Committee on Broadcasting, Films and Assistance to the Arts that the National Film Board would no longer be exclusive recipient of government commissions; it would now have to compete with private producers for all contracts awarded by any federal department or agency. Do the President of the Treasury Board and the Secretary of State intend to proceed with the intentions of the former Secretary of State and allow private producers in the film industry to compete on an open market with the National Film Board for government contracts?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I cannot reply specifically to the hon. member's suggestion. I shall contact the Secretary of State and inform the hon. member of the outcome of our discussions.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a point of order. I raised a point of order with respect to the business of the House prior to the oral question period at 2.15. Your Honour ruled that there could be no point of order raised during that period with respect to difficulties arising in connection with motions under Standing Order 43.

● (1500)

Unfortunately, it is not always easy to hear the preamble by Your Honour to the putting of the question, and in this instance it was difficult for me and a number of hon. friends seated around me to hear any objection to that particular motion. I know that earlier this week, on Monday, at the time of a similar circumstance, as reported in *Hansard* on page 9101, when a motion had actually been put Your Honour permitted the leader of the New Democratic Party to inquire, on a point of order, whether there had been unanimous acceptance of the motion.

In the same way, since it was not possible to raise the matter at the time, I would ask the opportunity tomorrow, while motions under Standing Order 43 are being considered, to put my motion, reserving the right to see whether there is unanimous acceptance.

Mr. Speaker: The hon. member raises an interesting point of order. There is, of course, a fundamental difference between the two situations. In the situation in which the hon. member for Oshawa-Whitby (Mr. Broadbent) was involved a few days ago, it was the impression of the Chair that no one had withheld consent. Any hon. member, of course, was in a position to express his resentment or unwillingness to extend unanimous consent. Further, any hon. member, even though not saying it, might have heard it from an hon. member sitting close by. It is one thing to permit a member to say that the House should take action which it can only do by unanimous consent, when it does not have unanimous consent. On the other hand, when the Chair puts a motion and hears a dissenting voice, that is the end of the matter; unanimous consent does not exist.

So this situation is quite the reverse. Although the hon. member might not have heard a dissenting voice when I asked if there was unanimous consent, I clearly heard at least one and that left me in no position to put the motion or to ask the question a second time.

The ruling I made was simply to express some concern that the revision in our procedures is such as to put a rather self-policing feature on motions under Standing Order 43. We are limited as to time, and in any case they cut into the question period. Accordingly, since they are rather self-policing in that regard, I have withdrawn

extensively from interfering with the subject matter vis-à-vis the words used in the rule, "an emergency matter". I did, however, express some misgivings as to whether in fact a statement by this House with regard to the use of safety belts had any urgency to it.

In any case, I resolved the doubt in favour of the hon. member, as I usually do. I put the question and I heard a dissenting voice. It would seem to me that, with slight variations or some indication that there might be a willingness to proceed with the matter tomorrow, the hon. member ought not to be in any difficulty, although perhaps he might consider whether that rule might not be as opportune an approach as, perhaps, tabling, with unanimous consent, a notice of motion by this House at the appropriate hour which would meet with unanimous approval. However, that might be something for the hon. member to consider.

While I am on my feet, there are two other outstanding points of order. The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) raised a rather interesting objection to the treatment of a question he had placed on the order paper. I am very pleased to advise that, since the matter has now been considered, it is my understanding that there is consent in the House that since the hon. member had received a response by the government which indicated that his question would be answered some time later, under those circumstances his question ought not to have been taken off the order paper. I understand that it is now unanimously agreed that the hon. member has a good point and that the question ought to be reinstated, with the unanimous consent of the House, for an answer later.

To deal with the second point, the hon. member for Moose Jaw (Mr. Neil) put forward a bill for first reading yesterday. The Chair, noting that the subject matter of the bill pertains to the creation of new exemptions or different treatment for exemptions from taxes, would have serious misgivings that that bill would infringe upon the financial initiatives reserved only to the Crown. In the circumstances, the only fair thing to do is to warn the hon. member now that the next time the bill comes forward for consideration, he would be expected to make some procedural justification for the bill being advanced at that time. There certainly has been some concern about that question.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

Tenth report of Standing Committee on Agriculture, in both official languages—Mr. Daudlin.

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

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,118, 3,179, 3,187, 3,246, 3,269 and 3,492.

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

[*Text*]

CONTRACT TO COLUMBIA ENGINEERING INTERNATIONAL LTD., VANCOUVER

Question No. 3,118—**Mr. Friesen:**

1. Was a contract awarded to Columbia Engineering Analysts and Consultants in Vancouver to explore the history and the future of the uses of particle board and, if so, in what amount?

2. On what date is the report to be completed and released?

3. For what kind of distribution was the study conducted?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Yes, in the amount of $65,125.

2. Report is nearing completion and release can be expected before year end.

3. The study will be available free of charge to any interested parties.

CONSUMER AND CORPORATE AFFAIRS—COMPLAINTS DIVISION

Question No. 3,179—**Mr. Marshall:**

1. How many employees are in the Complaints Division ("The Consumer, Box 99") in the Department of Consumer and Corporate Affairs?

2. What was the cost of maintaining the Division in the year 1974-75?

3. How many complaints were received from each province in the past fiscal year?

4. How many were resolved (a) in favour of (b) against the complainant?

5. What is the cost of maintaining the Division as related to the cost per application?

6. Has an evaluation been made to determine the success factor of complaints made to the Division and, if so, what are the details insofar as it concerns the value to individual Canadians?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. The authorized strength of the Individual Consumer Assistance Unit, Consumer Services Branch, is 12. The Unit handles all consumer complaints and enquiries dealt with by the Department at headquarters. Under a decentralization program completed on April 1, 1975, the field offices have assumed responsibility for dealing with the bulk of this workload.

2. The Individual Consumer Assistance Unit did not exist as such in 1974-75: The Box 99 activities were carried out as part of the programs of the five functional units which comprised the Consumer Services Branch at that time. Total expenditure by the Consumer Services Branch

in fiscal year 1974-75 was $682,000 and 47 man years were used.

3. Complaints and Enquiries by province for fiscal year April 1, 1974-March 31, 1975—for the headquarters and field activities

	C	E
Newfoundland	549	120
Prince Edward Island	195	62
Nova Scotia	2,094	472
New Brunswick	1,618	389
Quebec	6,301	8,482
Ontario	10,680	6,231
Manitoba	1,253	186
Saskatchewan	1,386	408
Alberta	1,586	303
British Columbia	4,292	1,151
Yukon	44	6
North West Territories	42	16
U.S.A. & Other	168	179
	30,208	18,015

4. Company Action—Complaints for fiscal year April 1, 1974-March 31, 1975. (a) Adjusted, 4,319; Adjustment Offered, 1,147; Partial Adjustment Made, 446; Goodwill, 283; Total: 6,195. (b) Disputed (Not Adjusted), 681; No Reply from Company, 411; Company Explanation (Not Adjusted), 2,261; Total: 3,353. (c) It is impossible to classify the remaining 20,660 complaints into either (a) or (b). Some were of a general nature; others did not contain adequate information; some were referred to other federal or provincial departments or agencies and in some cases legal action was required.

5. Total expenditure by the Consumer Services Branch for the fiscal year 1974-1975 was $682,000. During this period, the staff in Ottawa answered some 16,281 of the 48,223 complaints and enquiries indicated in 3 above. The Branch utilized approximately 47 man years on a wide range of consumer service activities, including the handling of complaints and enquiries. In 1974/75, the Branch was responsible for: Handling of consumer complaints and enquiries; Preparation of background materials for the preparation of pamphlets, brochures and fact sheets for consumer information and education work; Preparation of background material for the preparation of television shows and radio shows for consumer information; Drafting of speech outlines and collating of speech material for sue in speaking engagements to consumer groups; Preparation of analytical reports and research into consumer problems; Providing guidance to the consulting service in the field; Development and guidance of the Consumer Help Office program. In 1974/75 there were no employees dealing solely with consumer complaints and enquiries and it is thus impossible to arrive at a cost-per-complaint/enquiry figure. The same situation prevails with respect to the costs of handling complaints and enquiries in the Department's regional offices since complaint handling is only one of several services provided through the regional offices.

6. No formal evaluation of the success factor has been undertaken. The ever-increasing numbers of Canadians who use Box 99 seem to indicate that a valuable service is being provided. For example, though much of the work handled by Box 99, Ottawa was shifted to the regional offices as of April 1, 1975 statistics for the period July 1-September 30, 1975 for Box 99, Ottawa, reveal a 21 per cent increase in compalints and a 94 per cent increase in enquiries over the same period in 1974. Comments on this service received by the Department are another indication of its value to consumers.

[Mr. Ouellet.]

CBC-NFB CO-PRODUCTION AGREEMENT

Question No. 3,187—**Mr. Friesen:**

1. Were the Independent Film Producers consulted or informed about the agreement between CBC and the National Film Board when the two agencies discussed the signing of a $900,000 co-production agreement?

2. Has CBC and/or the National Film Board hired between 27 to 37 new camera and crew units for producing films of Canada and, if so, how many were (a) new to the industry (b) residents of Montreal and Quebec City (c) members of the Canadian Association of Film and TV Producers?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation and the National Film Board as follows: 1. No. The CBC and the National Film Board have been holding discussions on the production of a number of programs but no agreement has been reached.

2. No.

SUPPLY AND SERVICES—PURCHASE OF AIR MATTRESSES

Question No. 3,246—**Mr. Reynolds:**

1. What is the life span of the $50 air mattresses purchased by the Department of Supply and Services for use by the Department of National Defence?

2. Since January 1974, how many of such air mattresses have been procured?

3. Does the Department of Supply and Services rely on a single supplier or do they request tenders for the item?

4. What attempts have been made to interest other qualified manufacturers to bid on the specialized air mattresses?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. These special air mattresses have a potential life span of seven years, barring any unforeseen damages through use. The mattresses are repairable and when damaged are repaired with the use of a special kit issued for that purpose.

2. Thirty thousand eight hundred forty-five.

3. No. Competitive tenders are invited for each requirement.

4. DSS is continually seeking additional sources of supply for this commodity. Representations have been made to other potential suppliers through correspondence, visits to plants and through meetings. Relevant specifications and samples of the mattresses have been sent to manufacturers to stimulate interest. Alternative methods of construction have been considered to allow more suppliers an opportunity to compete but these changes have not proven to be satisfactory in field use.

OLYMPIC GAMES

Question No. 3,269—**Mr. Schumacher:**

Has the (a) Prime Minister's Office (b) Department of Transport (c) Department of External Affairs (d) Department of National Defence (e) Department of Energy, Mines and Resources (f) Department of Agriculture (g) Department of Labour (h) Department of Manpower and Immigration (i) Department of the Secretary of State (j) Department of Consumer and Corporate Affairs made any arrangements, or are they planning any arrangements, for the (i) transportation to Canada and return (ii) accommodation (iii) hospitality (iv) transportation in Canada, of any foreign Heads of State or dignitaries in connection with the Olympic Games in Montreal in 1976 and, if so, what is the nature, or projected nature of such arrangements and what is the projected cost in each case?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): See the reply to question No. 2,334 of April 21, 1975. There have been no further developments to report since the reply to the above mentioned question was tabled.

FEES PAID TO OUTSIDE CONSULTANTS FOR 1973 AND 1974

Question No. 3,492—**Mr. Reynolds:**

What was the total amount paid to outside consultants by the government in the years 1973 and 1974 and what is the estimate for 1975?

Hon. Mitchell Sharp (President of the Privy Council): See question No. 151 of October 1, 1974 and question No. 897 of November 19, 1974 for years 1973 and 1974 respectively and the Public Accounts for year 1975 estimate.

[*English*]

Mr. Crouse: Mr. Speaker, on June 20 I placed question No. 2,833 on the order paper in the following terms:

1. How many consultants were hired by the Fisheries and Marine Service, Department of the Environment, in the past two years?

2. (a) What were their names and salaries (b) what was their length of employment?

3. Were public tenders called before they were hired?

In the last five months I have asked three times for an answer to that question. It has not been answered and I should like to ask, through you, sir, just what the government is trying to hide.

Mr. Speaker: The point raised by the hon. member for South Shore (Mr. Crouse) brings us, again, to the subject of the right of hon. members to expect answers to questions. That point was raised in different forms yesterday or the day before by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty). It was raised earlier this session, with respect to starred questions, by the hon. member for Simcoe North (Mr. Rynard). It was raised more recently by the hon. member for Leeds (Mr. Cossitt) in the context of whether a decision ought to be made by the Chair about the regularity of questions on the order paper, or whether it ought to be the right of the government to make an answer indicating that it disagrees with the procedural regularity of a question on the order paper.

I would take this occasion to bring to the attention of all concerned that one would hope that before the Chair would begin to break new ground in the handling of questions on the order paper and, indeed, various considerations which have been put forward, the members of the procedure committee might direct their attention to the

entire subject of the handling of questions on the order paper, whether or not the matter ought to be reviewed and whether the understanding or regulations ought to be updated.

In light of the review we undertook last Easter on oral questions which really fall, with respect to the regulations, under those which were first established for questions on the order paper or written questions, I wonder if it is not time, now, to ask the procedure committee to direct itself to the entire question of questions on the order paper in order to try to resolve the many misgivings and concerns which have been raised. Certainly it would seem to the Chair, at least, that this development might take place as soon as possible.

MOTIONS FOR PAPERS

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Would Your Honour be good enough to call notice of motion for the production of papers No. 59? I ask that the remaining notices of motions be allowed to stand.

[*Text*]

COPY OF REPORT INVOLVING PROVISION OF FULL INCOME SUPPORT TO UNEMPLOYED CLAIMANTS

Motion No. 59—**Mr. Marshall:**

That an Order of the House do issue for a copy of the report on the development concept involving the provision of full income support to unemployed claimants while they pursue various courses of training to enhance their skills and abilities.

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): The programs mentioned in the hon. member's motion have worked well over the past five years but are currently under study by the commission. The study is complemented by a pilot project in the province of Newfoundland. However, neither the study nor the pilot project are expected to reach fruition until mid-1976. Consequently, a formal report on these programs is not available and we would therefore request the hon. member to withdraw his motion.

Mr. Marshall: Agreed.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining notices of motion be allowed to stand?

Some hon. Members: Agreed.

Criminal Code

ADMINISTRATION OF JUSTICE

PETITION FOR CHANGES IN ABORTION LAW—RELEASE OF DR. MORGENTALER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the nineteenth report of the Clerk of Petitions stating he has examined the petition laid upon the table by the hon. member for Sainte-Marie (Mr. Dupont) and found it acceptable as to form.

● (1510)

GOVERNMENT ORDERS

[*English*]

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

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

The House resumed, from Tuesday, November 18, consideration of the motion of Mr. Basford that Bill C-71, to amend the Criminal Code and to make related amendments to the Crown Liability Act, the Immigration Act and the Parole Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. David MacDonald (Egmont): Mr. Speaker, at the conclusion of the sitting last night I had the opportunity to say a few words with respect to these amendments to the Criminal Code which the minister brought forward yesterday afternoon. I was mentioning that the action taken in this legislation to deal in particular with drinking drivers reflects a basic concern on the part of the government that we try to deal with what I referred to last evening as a growing epidemic.

The minister's move, on the part of the government, to introduce stiffer penalties is, in my estimation, both good and bad. It is good in the sense that it recognizes the problem that we are dealing with and with which we have not as yet effectively come to grips. It is bad in the sense that it may encourage people to believe that primarily through introducing this type of legislative amendment we will achieve a substantial reduction in the number of tragic accidents that take place and the number of even more tragic fatalities, or that it might also have a general impact on the number of people who believe that it is safe for them to drink to excess—by which I mean beyond one drink, or at the most two—and still get behind the wheel of a car and drive.

I have been struck in recent weeks, because of tragedies that have occurred in this country and elsewhere, with the growing concern and renewed calls for gun laws to deal with situations which from time to time lead individuals who are mentally disturbed or criminally minded to use guns as weapons of personal destruction. There is no doubt that many Canadians as well as people elsewhere are exercised by the easy availability of hand guns and other similar weapons.

[Mr. Speaker.]

Surprisingly enough, I have also come to realize that people do not share the same sentiment with respect to the number of people who believe that it is within their right, or at least that it does no great harm, to operate a motor vehicle while effectively under the influence of alcohol or some other drug. Yet to me the two situations are extremely similar in nature. They are both examples of the use, the illegitimate use if you like, of very dangerous weapons.

The fact that the automobile is not primarily thought of as a weapon is part of the mythology of our time. But if we total the hundreds of thousands of deaths which occur annually in this country as a direct or indirect result of the actions of drinking drivers, we would be shocked and I think would move to call for the most widespread and effective program that we could introduce. I realize it would not be totally within the domain of the federal government to outline such a program and put it into place, but we would certainly work quite closely, as we do with any other major problems or issues, with other levels of government, particularly the provinces.

In a recent study carried out by the Ministry of Transport on night-time driving, it was shown that one driver in four who was stopped in the course of a random hailing down of motorists driving at night was found to have been drinking. That is an indication that what we are discussing here is not a few people who are criminally minded, people we would consider to be socially irresponsible; we are dealing with what is a widespread social phenomenon, though not a problem where legal enforcement or punishment would achieve the desired result.

It is not as if we were dealing with organized crime. We are not simply dealing with a few people who will be effectively deterred by the kind of increased penalties that are set out in this legislation. As I think the minister is well aware, there are a number of well documented studies that question, in effect, the deterrent impact of legislation and whether or not it can eliminate the widespread practice of drinking and then driving.

The fact is that we have not really begun to consider what it would take to eliminate or substantially reduce the number of people who consistently drive while under the influence. I am inclined to believe the increased fines are really inconsequential. I do not think that the present fines structure accomplishes very much. It may have some deterring or economic impact upon those in the lower income levels, but it does not take into account those in the middle or upper income levels of society for whom a fine is merely a minor irritation. It may be true that the move toward an indictable offence the second time around may have some kind of general psychological, deterrent effect, but I am not overly optimistic.

I believe we are dealing with a societal and community problem of very widespread proportions. I believe these legislative amendments introduced by the Minister of Justice (Mr. Basford) are useful only to the extent that they relate to a series of other measures which will be adopted both at the federal and the provincial level. Unless we are prepared to deal with the wider aspects of responsibility, education and rehabilitation, we will come back here three to five years after putting this legislation into effect and we will see little or no change. Indeed, even with this legislation in place, three to five years from now we might

not have noticed any substantial decrease, and perhaps a possible increase, in the number of people who are arrested and charged for these kinds of offences or, more seriously, the number of those involved in tragic accidents.

This question concerns not only the Minister of Justice, who has well defined responsibilities in his department, but other ministries of government as well. I have heard the Minister of National Health and Welfare (Mr. Lalonde) express great concern at the general problem of alcoholism in our society, and perhaps he, in concert with other ministers, such as the Secretary of State (Mr. Faulkner), will have to give a great deal more time and attention to the way in which a concerted and comprehensive approach to the problem can be taken.

As I mentioned last evening, the province of Alberta has spent a good deal of time experimenting with a rehabilitation program. The province should be assisted and encouraged in this endeavour. Driver education and re-education programs involving the showing of films on alcohol and driving, as is the case in Alberta, and a general raising of awareness levels would be of some assistance, and it is undoubtedly true that a general alcohol education program for use in schools or by voluntary organizations should be encouraged and would fit very closely within provincial jurisdiction.

The province of Ontario as recently as last year produced a study showing that an increasing number of young drivers are involved in alcohol-related accidents. What impact does that have on the way in which young people are gradually brought into the world of driving in our society? In what way do we ensure that, through driver education programs in schools and through the actual procedure of driver training, temporary drivers' permits and actual driving examinations, there is included at every step of the way a very close relationship to the awareness of the individual of the impact that alcohol, drugs and other mind-distorting materials have on a young person's ability to operate a motor vehicle safely for himself and for others who use the highway?

We have usually regarded this kind of program as somehow peripheral and, while important in itself, not of fundamental importance in making sure that it is part and parcel of an individual's awareness as he undertakes the responsibility of driving an automobile. As I said last night, part of the problem is that things do not happen overnight. Just as we have grown accustomed to having the automobile with us—in this century we have been using the automobile as a basic means of transportation—we have grown accustomed to the epidemic proportions of those who are maimed or killed in traffic accidents.

● (1520)

I think it is really instructive to realize that is spite of the tens of wars that have been fought in this century, two of which we reminded ourselves about recently in our annual Remembrance Day ceremonies, and in spite of the wars that continue even to this day, there have not been as many people killed in all these conflicts as have been killed in traffic accidents in this century. When we relate this to the fact that almost every second traffic accident that occurs is the direct or indirect result of the intemperate use of alcohol or other drugs, we realize we have a problem of epidemic proportions and we know something must be done.

I mentioned the education aspect not in the narrow sense but in the very broad sense that would ensure there is an absolute awareness of the relationship between the intemperate use of alcohol and one's responsibility as an automobile driver. I think this has to work itself all the way through every aspect of the whole framework of the operation of the motor vehicle in our society.

We now have a situation in most provinces where insurance laws really act as a disincentive to the reporting of drivers who are guilty of being impaired. I wonder how much leadership the federal government has played assisting provincial governments and major insurance companies to see that there is no disincentive aspect that does not in some way or other incorporate a sense of responsibility for those who have offended the law in this way.

I have mentioned the need for education. I would also like to mention the need—this goes squarely to this bill before us this afternoon—for greater vigilance in respect of the enforcement of these provisions. It is a well known fact that there is one season of the year when the police, federal and provincial, are extremely active in the use of the breathalyzer and other forms of detection. That is, of course, during Christmas and the New Year when there are many parties and perhaps people are much more inclined to get behind the wheel of the car after attending a party when they are not sober or fit to drive.

I think that kind of selective approach is really unsatisfactory because it is obvious to me that we are dealing with a consistent pattern which is not at any one level of society, in any one part of our country, or at any one time of the year. Therefore, if we are to toughen the legislative provisions in this regard, definite action should be taken by our police forces, federal and provincial, to ensure that there is a year-round crackdown and activity in respect of ensuring that this law is enforced. In this way, people will know that if they are irresponsible enough to leave their own home or, more likely, to leave a public drinking establishment and are not capable of handling an automobile, the chances are extremely high that not only will they be stopped and questioned, but they will be arrested and charged.

I should like to make two other points which I think are important in this regard. I have said that I think the action within this legislative proposal is not in itself sufficient, though it will be of some assistance. Governments, particularly the federal government, have to consider the more fundamental question about the degree to which it has become socially acceptable to drive in this country while under the influence. I wonder how much real information we have about the types of drinking drivers that exist in this country, and how much we really know about the most effective way of getting through to them with the message that it is not right, not safe, and is simply no longer acceptable to drive while under the influence.

I think, quite frankly, we need a special task force. I mentioned to the minister last night that some months ago—I believe it was in April of this year—I produced from my own province of Prince Edward Island a report on highway safety because of our particularly shocking situation in respect of accidents and fatalities on the island. I

called the report "Half in Five". The message of the title was that if we took some definite action—and this is one of the areas we are discussing here in respect of drinking drivers—we could expect to reduce the traffic fatalities and the number of accidents by as much as 50 per cent in the next five years in the province of Prince Edward Island.

I spent a great deal of time on this report dealing with the problem of drinking drivers, because I believe it to be one of the important elements in the province. One of the conclusions I mentioned in regard to the report was that I felt the time had come to have a special task force to look into the very wide-ranging and pervasive aspects of drinking as it affects those who operate automobiles in our province and in the whole of this country.

The resources of the government of the province of Prince Edward Island are obviously limited. Perhaps they are limited everywhere in this kind of restraint. But it would seem to me to make sense, in terms of federal-provincial responsibility, if both levels of government could agree to put forward the funds for the kind of task force that could really make an examination of some of the long-term questions regarding the drug impairment that occurs and the willingness or unwillingness to accept responsibility in the operation of motor vehicles on our highways.

I have already said, and I will not repeat it, why I think that kind of a study would be important and useful. It could have a number of good recommendations resulting from it. There are a number of questions I should like to see raised, not only in analysing all the social ramifications of this large-scale phenomenon in our society but in analysing and suggesting, perhaps, some ways in which we could get at the problem.

We have never spent much time thinking about the co-responsibility or joint responsibility that exists in this regard. While we have these legislative amendments before us, it might well be worth while for the minister and his officials to consider whether the time is not rapidly coming when there must be some kind of joint responsibility exercised by those who are in an automobile and who may not be under the influence but are being driven or chauffeured by someone who obviously is under the influence. I wonder whether that kind of co-responsibility is not a matter for some form of legal enactment.

In addition—and this is perhaps more of a hunch than a factual conclusion—since a large percentage of the people who are on the highway under the influence have left public premises, it might well be that those who operate those premises have in fact a legal responsibility. What is occurring now in my own province is that in some instances these licensed establishments, if it has been proven that people have in fact left under the influence on more occasions than is acceptable, are simply closed down and their licence is lost. This is more of a judgment matter within the particular jurisdiction of that province than any kind of general law or requirement under the Criminal Code of this country.

However, I believe it is a criminal act for people who, being aware that individuals are going to use their motor vehicles while under the influence, when they may have contributed to that situation, allow it to occur. Perhaps one of my basic difficulties is that I am not enough of a lawyer—in fact, I am not a lawyer at all—to know how that would effectively be put into the law without jeopardizing any other aspects of basic individual human rights.

As long as we have the scope of tragedy, the extent of carnage that is occurring on the nation's highways in this day and age, and as long as we allow many of our fellow Canadians, young and old, to become victims, sometimes maimed and invalided for life because of those who assume they have some important right to drink and drive, we will not be acting responsibly unless we introduce the most comprehensive and effective program possible.

Therefore, I support the initiative that is taken in this instance by the minister but I would urge him and his colleagues not to leave it at that, believing that by itself this measure will be sufficient to solve this very difficult problem.

● (1530)

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Madam Speaker, I will be very brief. Let me simply say that Bill C-71 now under consideration is a technical measure. Its only objective is to update our Criminal Code. Now what is the Criminal Code? It is the sanction of values accepted by society, the sanction of ethics and rules of conduct generally endorsed throughout Canada. It is the sanction, because those rules are accepted by the entire population. Unfortunately, certain strata of society or some individuals refuse to comply with them. Therefore, we have to draw up some regulations to force them one way or another to abide by those rules of conduct or ethics, either through the courts, the police force, the penitentiaries or prisons. Since the Criminal Code is that sanction of rules of conduct or ethics established and accepted by society, it must always be up to date and follow the changes in that total acceptance of values by society which is *per se* quite changeable. I thank the minister for bringing in these amendments to our Criminal Code through Bill C-71. As I say, these amendments are very technical and tend to fill some gaps that have developed in the course of years.

Indeed, one must not confuse Bill C-71 now before us, a housekeeping measure, with the long awaited amendments that will necessarily follow the findings of the Law Reform Commission which, in recent months, has supplied us with all kinds of work documents and studies on the various aspects it has considered, particularly family law, evidence, sentencing, judicialization, all law matters that have to be reformed in depth. We are waiting for the results of these works with great impatience and I hope we will see them soon embodied in a bill introduced in this House.

Therefore these technical amendments cover aspects of the Criminal Code in almost every reach in sections of current application, be it theft, rape, internationally protected persons or still, more technically, in the field of procedure. In the procedural area, for instance, this bill proposes a number of improvements which law practitioners had been requesting for quite some time. These include Clause 94, page 60, to amend the section on the trial *de novo* system in summary conviction matters so that, when the

amount is somewhat minimal and when an appeal has been filed, there must be a new trial.

Therefore these provisions on *de novo* trials will be amended so that courts of higher instance may assess more easily the evidence introduced before a court of first instance, without the appellant having to establish again this evidence. In this respect, I share somewhat the fears which the hon. member for Calgary North (Mr. Woolliams) expressed when he said that giving such a power of assessment to courts of appeal could cause problems in terms of court accessibility. I feel however that this difficulty could be examined in committee, as most of the clauses in Bill C-71 for that matter, for it is in committee that they should be examined in detail one after the other.

Since we must discuss the bill's general principle on second reading, I will concern myself with a question perhaps a little more important, that is one of the two or three items dealt with by Bill C-71 which may be of major importance and show, like a lighthouse would do for a deep water harbour or still water zone, what the global reform of criminal law will be like in Canada.

I want especially to discuss the amendments relating to evidence with regard to rape cases. I also want to discuss the protection granted to individuals having diplomatic or international status. I feel there is a gap in this area in Canads which Bill C-71 is trying to fill. There again we will review in committee the consequences of those new sections of the law.

What I want to discuss more fully is the provision about the corroboration and the amendments to the principle of evidence in cases of rape or other sexual offences, amendments brought in by Bill C-71.

Corroboration is a somewhat strange legal phenomenon. In fact, this stratagem of proof, if I can use such terms, was originally introduced in common law to support the evidence of witnesses whose credibility was questionable in the minds of the jurists of that time. We know that in common law and in criminal law, especially in Canada, one proof is enough to convict a person. The one proof is sufficient, precisely to the extent that the credibility of the witness can be estimated.

Now, for instance, in the case of rape, the jury can convict somebody of rape on the strength of the victim's evidence alone. But rightly or wrongly, it has been considered for a very long time, in sexual offences, that because of the emotional aspect involved, the credibility of the witness was questionable to say the least. I want to point out here that, probably more wrongly than rightly, the judge was requested, when making his address to the jury, to make sure he pointed out the dangers of condemning the accused merely on the strength of the victim's testimony. And so, what is corroboration? It is the possibility for the jury of weighing a second proof, a secondary testimony, secondary in the sense that it must not necessarily be related to the main proof. What does that mean? That if, for instance, there is an element of proof with regard to the victim, another element of proof, which differs from the other but is related in a way, of course, to the main accusation, then, there is corroboration and it will be easier for the jury to pass judgment on the guilt or innocence of the accused.

Therefore corroboration was a type of judicial animal developed specially for particular cases such as sexual crimes, or for cases where children appeared as witnesses, where they are unable to swear to their testimony, or again in the case of perjury, treason, false evidence and finally the testimony of accomplices.

● (1540)

They are quite particular cases where corroboration is necessary, cases where the credibility of the main witness may be very doubtful. Then, we can again ask ourselves if in cases of rape or sexual offences we should demand corroboration. I think that some historical considerations are necessary and that we must realize that 200 or 300 years ago the status of women was not the same as today. The status of women has much improved to become in 1975 equal to that of man.

But 300 years ago the circumstances were different and women perhaps considered as merchandise. What was rape at the origin? It was the fact of taking a woman without the consent of her legal owner, her husband, her father or someone else. The principle of corroboration may stem from that because at the time women were unimportant and it was then necessary to produce more evidence than in normal cases in order to condemn those who made an attempt against that property.

We realize that this concept now belongs to the past particularly in this womens' year that gives official recognition to that principle of equal status on which we all agree. So that whole concept of corroboration and sexual conduct in cases concerning women should be changed and the elimination of corroboration, or rather the address to the jury, is a positive step in this direction.

It is not enough. I think we should come to a more comprehensive and less sectarian definition of sexual offences and stop making reference to sexual offences involving female persons, and try instead to clarify this concept of sexual offence so that it is embodied in the whole section of Criminal Code concerning assaults. It could be an ordinary assault, an assault causing injury, a serious assault, a less serious assault, in short a sexual offence is generally an assault in the broad meaning of the term. I for one would favour the incorporation of offences of a sexual nature into offences of the "assault" type; we should stop considering sexual offences as a little sordid. They are sometimes sordid, but not always.

It is often said that 60 per cent of the cases of rape happen between people who know each other intimately. Therefore I think the scandalous nature should be removed from sexual offences. We must stop referring to sexual offences as being mainly related to female persons. We should include all these types of offences—rape, indecent assault, sexual assault on people who are less than 14 years old—in the sections on assault which are complete, precise, by adding one definition or two to the general nature of assaults; it will be possible to include these offences in sections on assault, thereby removing a little of this scandalous context from the Criminal Code.

So Bill C-71 aims at correcting what had almost become the victim's trial in cases of rape by removing the address to the jury in respect of corroboration, and I think it is a very important step forward. Once again, I agree a little

however with the reservations made yesterday by the hon. member for Calgary-North (Mr. Woolliams). I appreciated them very much. His very wide legal experience will no doubt be of great help in committee when we study in depth the clauses of Bill C-71. I shared his reservations when he wondered whether henceforth the credibility of the witness could really not be questioned if all emotivity surrounding sexual crimes was truly abolished, and if evidence by the victim alone was really sufficient in rape cases for the jury to render a guilty or non guilty verdict in every case.

I submit, Madam Speaker, as is documented by psychological, empirical and other studies, that the jury is somewhat less stupid than commonly imagined, and that jurors are much more alert and educated now. They can judge by themselves, without the need for an extra witness and for someone to show them the road to follow. They can now judge by themselves the credibility of the witness about to speak before them, and the greater or lesser weight of his evidence.

The jury as an institution and its importance have been been discussed at length. In my view, the jury may be the most remarkable institution in our criminal law, in that twelve people that may not have a solid legal background are asked to examine, in their conscience, the facts that are presented. The jury must therefore rely on facts, and weigh them according to their merit. They must also assess the witness's credibility. I feel they are fully capable to do so without the need of concepts as archaic as corroboration, especially in cases of criminal offences.

In my view, the final solution to all offences in that nature would be, in order to strip them of any obscene aspect they now have, to include them altogether with the sections on assault. This will solve a number of problems concerning evidence, appreciation, publicity and credibility, and all the evidence problems that have developed and that arise in this kind of court proceedings.

Madam Speaker, I said I would be brief, I believe this is a housekeeping kind of bill, to update the Criminal Code. I do not think there is much to say in substance, except that it was necessary precisely to enable legal practitioners to use the Criminal Code in a sensible way. We are all looking forward to the implementation of the comprehensive reform of the Criminal Code following the studies of the Law Reform Commission. We hope that this in depth—really in depth—reform will enable us to do away with all the dead-weight that has accumulated for centuries in the Criminal Code. We hope a thorough study will be carried out to define the goals we aimed at with the Criminal Code, and insofar as the whole matter of crime and fight against crime through a criminal code will be questioned, I shall be satisfied. Until then, I only hope that Bill C-71 will be passed shortly, for legal practitioners badly need it.

Mr. André Fortin (Lotbinière): Madam Speaker, like the previous speaker, I wish to make a few remarks respecting Bill C-71, to amend the Criminal Code, superficially I should say, since it is only meant to update the present Criminal Code pending a more thorough reform. However, when that bill was introduced, the Minister, in his introductory statement, said himself that it was somewhat a minor one in that it does not deal with the problem of crime proper in Canada, but is only designed to update some sections of the act. But the great weakness of this bill is that in updating the legislation, we are updating something which is already faulty. The spirit of the Criminal Code remains exactly the same. The deterrent aspect concerning organized crime and the various types of crimes is also left out. We are only redefining terms, redefining and reclassifying crimes, such as rape, breathalizer tests, paroles, robbery, voluntary homicide, highway safety rules and the power to take proceedings in the case of technical flaws. It will be possible to take proceedings against escapees.

[Mr. Lachance.]

● (1550)

This bill takes the same approach and is in the same spirit as what we have always known in the past concerning our procedure which is, in my opinion, faulty, our crime prevention system, our penalty system and our criminal rehabilitation system. A typical example of this can be seen on page 32 of the bill, in subclauses (1) and (2) of clause 46, which read as follows:

46. (1) Paragraph 454(1)(*d*) of the said Act is repealed and the following substituted therefor:

In other words, this is only a more exhaustive explanation of the existing act. We are not changing the spirit of the law or our philosophy or our approach, we are simply redefining words. This clause goes on as follows:

"(*d*) the peace officer or officer in charge is satisfied that the person—

—meaning the criminal—

—should be released from custody, whether unconditionally under subsection (3) or otherwise conditionally or unconditionally, and so releases him."

Further on, in subclause (2), we see once again that the officer in charge—

The Acting Speaker (Mrs. Morin): Order, please. I remind the hon. member that at this stage, he must speak to the general principles of the bill and not to a particular clause.

Mr. Fortin: Thank you, Madam Speaker. With all due respect, I am precisely giving a specific example of one of the philosophies of the bill as allowed under the rules of the House of Commons which provide that, at this stage, only the principle of the bill may be discussed.

So this bill deals with parole. Before I was interrupted, I was trying to show that this bill not only does not change our approach to the Criminal Code, but retains the same defective approach, in that just about anybody will still be able to grant paroles. Indeed, in the same breath the minister tells us: Hurry up, pass Bill C-71 and a little later if you are nice, if you pass Bill C-71—which does not change anything in a defective legislation—we promise you, following the study of the Law Reform Commission, a more in-depth reform later on. And only at that time will we deal either with capital punishment or the use of drugs, prevention, parole.

The minister promises, Madam Speaker, to discuss philosophy as you wish, one of those unheard of reforms. He promises a drastic reform of the Criminal Code, so that Canadians will feel safe at home. Well, that same minister not too long ago humbly agreed to put his head at stake if

the death penalty was applied to certain criminals guilty of the capital murder of peace officers or prison guards.

Madam Speaker, we now have an act that has been in effect for a certain number of years, that is consolidated, but that this cabinet refuses to administer on the pretence that a minister refuses himself to administer it, otherwise he will put his head at stake. It is more or less blackmail in any case, and yet the law exists, the philosophy of the law exists. That is the crux of the matter. We were promised legal reforms but in the final analysis they do not amount to anything, they do not bring a new approach.

Madam Speaker, we have been told the same old story over and over again. I will not mention those 1974 statistics that are available, nor those for 1973 because they would startle you. I would rather quote the 1972 figures on the Canadian crime rate, which happens to be one of the subjects Bill C-71 deals with.

As the previous speakers have said, the crime rate in Canada is up by 13.9 per cent. I would like to add that in 1972 there were 2.9 victims of premeditated murders per 100,000 population, compared with 1.9 in 1971. This means an increase of one victim over that period. By the end of 1972 there were still—but that is another aspect of the problem—74 unsolved murders. This year in the city of Montreal alone, the Canadian metropolis, over 175 or 180 murders were committed. In 1972, 1,244 persons were charged with murder, including, 1,168 adults and 76 children, which points out another aspect of the crime problem in Canada, namely juvenile delinquency. How many probation officers do we have in our rehabilitation establishment for youngsters? If the minister says he is that interested in rehabilitation, how many probation officers do we have to help our youngsters who, due to a bad family environment, to evil influences, to inexistent or broken families take to the streets to commit burglairies or other offences, are sent to juvenile detention centres where they learn every possible trick to commit other offences, because such institutions are schools for criminals—and I dare say this for I personnaly visited some of them a number of times.

Madam Speaker, one just has to spend a day or two at the welfare court on Bellechasse Street in Montreal. It is worth going there to see teenagers and children testify before a judge who does his best to understand them but who cannot replace their parents.

When given a second chance, those young people have no assistance and are misunderstood just like the criminals who are supposed to be rehabilitated. We should not then be surprised, Madam Speaker, if society is not prepared to co-operate and join in the rehabilitation of criminals.

Madam Speaker, we have to pay a certain price if we want the individual to be respected in our society or if we want to have order in our community and among others, the government and our legislation must encourage our police forces and lend them efficient and daily support.

Here is a very specific example. Let us suppose that an armed burglary occurs in a jewellery shop. The owner is notified and calls the local police. The police arrive on the premises. Their specific role is to protect the life of the citizens and their property. That is what they are paid for. They go there to protect jewels or a private business, those policemen must then be ready even to risk their lives—

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but the hon. member for Lapointe is rising on a point of order.

Mr. Marceau: Madam Speaker, no doubt the remarks of my hon. friend are interesting but I think we will be considering a legislation that will deal with capital punishment and all those matters which will then be relevant. Right now I would ask the Chair to remind the hon. member that he is not talking about the subject matter of the bill.

The Acting Speaker (Mrs. Morin): The hon. member for Lapointe should note that the bill also bears on the Parole Act.

I was listening to the hon. member, and he tried to relate his remarks to the release on parole of prisoners. For the time being, I invite the hon. member for Lotbinière to continue his speech.

Mr. Fortin: Madam Speaker, I go back to this very specific example. Police officers, on behalf of all, governments and society, will attempt to preserve not only the citizens' life but also their property. They have to make a choice, and that choice is made on our behalf, in the name of society and that of this country's authority, namely to do everything to protect themselves and protect the citizens' life.

If gangsters use weapons, police officers must also use them to defend society and property. This is where the whole tragedy occurs; we are talking about it today and the Law Reform Commission, does the same and we will talk about it again if the minister honours his promise to proceed with an in depth reform of the Criminal Code.

When our law enforcement authorities obtain equipment which is at least equivalent to that which is available to gangster chiefs, forces are matched; laws must be applied on the basis of our trust in our police forces.

Well, it is the opposite which happens now in our society, for policemen are doing their jobs, risking their lives arresting gangsters, and often losing their lives or their limbs in the process, as was recently the case in Victoriaville, Drummondville, Moncton and several other communities. Later on, gangsters are put in jail where they live in comfortable cells, judgments in their case are quickly rendered and, not long after that, we hear that they are out again and that they have committed other crimes. Who decided that they should be released and why? Very often, some of them are even paroled by mistake. Such was the case recently in Montreal. They have to run after the prisoner. Madam Speaker, the morale of our law enforcement authorities has never been so low. Even if we adopted the most beautiful gold-lettered Criminal Code unanimously endorsed by this House, if in daily practice we were not able to give our enforcement authorities the necessary confidence and the assurance that they are backed up by the legislative authorities, we would have wasted our time. This is true whether we want to maintain law and order or administer this legislation.

Somewhere in this bill, there is a provision on road-side screening devices. It is the same thing. This is enforced every day. That is what is meant by protection of society. Many people would like to go through red lights and stop at green lights. That is what I would like anyway. But the law is not made that way, Madam Speaker. We have to abide by it. There must be some order in society. We really must have the mind and the will to enforce it.

That is why I cannot believe in the seriousness and goodwill of the government when it agrees that the Minister should put his head on the block on the matter of capital punishment, when we already have a legislation which is not enforced or which the cabinet refuses to enforce.

Madam Speaker, that is why I am very sceptical about the mini-reform which Bill C-71 constitutes; finally, it is nothing but a very superficial rewrite.

I would describe it as window dressing. It will allow some policemen to say that the federal Parliament takes care of order in society, but it will change nothing in the rising crime index in Canada, the failure of the rehabilatation program in the last four or five years. Nor will it change anything in the speed with which justice is done today. We need but look at the number of people who wait for months and months before appearing in court; nor will it change anything in the type of scandal we read about in the newspapers, and which are brought to light thanks to the extraordinary work of the Quebec Police Commission probe into organized crime. Full pages of it are published; yet, we had a Criminal Code. I remember how, in 1968, we studied the omnibus bill which dealt with all manners of subjects.

I remember the then Minister of Justice saying how wonderful the bill was, that it was a new approach. It was fantastic, it would allow the tracking down of gangsters to come, thanks to the use of electronic wire-tapping devices. Well, this is more of the same. It demonstrates once again that our approach is erroneous, that we are not really sincere in the fight against crime, that we are not really efficient in the rehabilitation of criminals.

Madam Speaker, I would like to reserve my remarks on this subject. Since it bears on general points, I shall certainly follow this bill closely and, unlike the minister, I am not overly anxious to approve a bill which, ultimately has virtually no meaning. It would be important to tell the minister that his endeavour, his patience in listening to us are basically a waste of time since this bill changes absolutely nothing but words; it contains no in-depth change.

● (1600)

[*English*]

Mr. Bill Jarvis (Perth-Wilmot): Madam Speaker, may I first of all identify myself with some of the remarks made by the hon. member who immediately preceded me in this debate, the hon. member for Lotbinière (Mr. Fortin). I think it is just as germane, with all respect to the intervenor, to discuss what is not in a bill as it is to discuss what is in a bill; that is, to discuss, particularly on second reading, what is contained therein.

I listened with considerable interest to the hon. member for Lafontaine-Rosemont (Mr. Lachance) and I agree with what he said. He said that this bill is an updating of the Criminal Code, a housekeeping measure, simply another in the series of patchwork measures to amend the Criminal Code. Those who have been victims of the old Criminal Code, or those of us who act as counsel, may have other views. I am delighted to see the hon. member for Nipissing (Mr. Blais) here; I am sure he is familiar with the legislation.

For many generations we have been living with a code that has been, because of public pressure or otherwise, or government leadership, subject to updating from time to time. I do not want the minister or anyone else to misunderstand my remarks. This is absolutely necessary in any moral legislation. But those of us who agree with what was said by the hon. member for Lotbinière feel that perhaps the time has come to approach the code in a different way and take a broader view.

I do not want to prolong this debate and I intend to confine my remarks to that part of the bill related to sexual offences. I should like to deal with some of the others becaue they concern all of us—problems of the highways, problems of alcohol and all the heartache and sorrow they bring, as well as the bail provisions—but in the interests of time I shall deal only with that part of the bill relating to sexual offences.

I have no complaint about the substance of these amendments and I am most anxious that the bill move into committee where there will be the opportunity for questioning and applying some flexibility. I should like to find out what prompted the wording of some of these amendments, and where the government intends to go with them; what threat they feel the amendments will answer in our society. What concerns me about this bill and many of its predecessors to amend the code is the lack of responsiveness or responsibility to come to grips with the whole spectrum of sexual offences.

Yesterday, the minister spoke of this bill as being part of a series of measures that would be responsive to a real, genuine concern of Canadians. I agree absolutely. He spoke of an ongoing review of the Criminal Code to reflect the changing attitudes of Canadians. I agree with that. We have to be responsive. When people are fearful of bodily harm or of property damage, we as legislators have to be responsive to those genuine concerns. I agree with the four aspects that prompted this legislation. The minister spoke, first, of the need to develop updated information; second, of the need to respond to the recent prevalence of certain crimes; third, of the need to deal with persistent problems that recent attempts had not been successful with; and, finally, he spoke of the need to modernize procedures. I agree that all of this is responsive government action.

This has happened with the Criminal Code for years. I can only refer to it as a patchwork of certain areas. We are responsive to that particular action whether it be because of pressure in our constituencies, interest groups bringing it to our attention, or any number of other sources of pressure put upon us. What I question when I read a bill like this is the responsibility of this reaction. I am not saying that the bill is irresponsible. I do not say that at all. I question whether there is the responsibility that is necessary in this type of reaction. What is lacking, in my opinion, is the responsibility to deal with the larger prob-

lem. The hon. member for Lotbinière dealt with that. In the area of sexual offences, we are dealing with only three or four offences.

● (1610)

In my opinion, more responsible action, rather than a responsive reaction, is called for in dealing with this part of the code. I do not confine that observation to sexual offences but I think it happens to be a rather good one. It happens to be the one we are dealing with in Bill C-71. I have had limited experience in the criminal courts. I practised criminal law for a while and thought I knew a little bit about it. When preparing for this debate, I was amazed at the vast variety and number of sexual offences contained in the Canadian Criminal Code. Some are specifically crimes against women. In other words, the sex of the victim is what we look for in search of that provision in the code which prohibits a certain form of behaviour. Others are simple crimes, unacceptable behaviour. It is the nature of the behaviour rather than the victim either directly or by implication being sexual behaviour.

Statistics Canada lists 14 categories of sexual offences. These are not individual offences, but categories. I am not an individual who becomes enthralled by statistics, but I could not help noting in the Statistics Canada report which covers three years—1969, 1970 and 1971—that in two of those years, 1969 and 1970, there were only nine of the 14 categories in which more than 15 convictions were secured in that calendar year. In 1971, the third year covered in the report, there were only seven categories with more than 15 convictions. I find it rather remarkable that there were numerous categories of sex crimes in which 15 or less convictions were registered in any year.

At the other end of the scale is the relatively high number of convictions in one or two categories. I find that in the category of indecent assault on a female there is roughly double the number of convictions than in any other category. I think we can draw only one conclusion if we look at this question intelligently and objectively: this charge has become a catch-all; it is a basket clause for all clauses where we cannot register convictions for much more serious crimes. When there is any doubt about how the Crown prosecutor will proceed with regard to a sex crime, he will proceed with indecent assault on a female person. In my opinion, the incentive which must exist to do that indicates there is something basically and seriously wrong with the Criminal Code in this particular area.

Second, the Statistics Canada report impressed me by the fact that there were extremely low conviction rates in many areas compared with the number of charges laid. In terms of percentage, in many cases there was well below a 50 per cent conviction rate. On the other hand, on the specific charge of indecent assault against a female, the conviction rate was between 75 per cent and 85 per cent. Again, something has to be seriously wrong when within this group of 14 categories we find that in 1971 there was only a 48 per cent conviction rate for attempted rape, 42 per cent for corrupting morals, and 49 per cent for rape, while indecent assault on a female or indecent assault on a male had a 75 per cent conviction rate. There is something inherently and basically wrong with that structure when we have such a variety not only in terms of number of convictions but in terms of convictions based on the total number of charges laid.

Third, the Statistics Canada report reveals that except for convictions for rape and procuring, over 50 per cent of convicted sexual offenders were either fined or given suspended sentences. I find it very difficult to determine the reason for this, particularly having in mind the maximum sentences that these various charges carry. The maximum sentences that can be imposed at the discretion of the judge are extremely high, yet over 50 per cent of the cases, with the exception of rape and procuring, resulted in fines or suspended sentences. I cannot reconcile all these very compelling statistics. They indicate that at least one section of offences under the code is not operating in the way one would expect. What concerns me on this last point of 50 per cent being fined or given suspended sentences is the possibility—I go no further than that—that our courts do not attach that degree of seriousness to these offences which one would expect of the judiciary, especially in light of the maximum sentences judges are capable of imposing for convictions under these sections.

I might also refer the minister to the Statistics Canada report which is entitled "Statistics of criminal and other offences, 1969, 1970 and 1971". In particular, I would ask that he note the rather substantial number of charges for indictable offences that were reduced to lesser offences. All of us who have practised in the criminal courts are familiar with the situation of plea bargaining, for example, where one is able to convince a Crown attorney to proceed on a lesser offence. In this particular area, however, I am astounded at the number. I do not wish to quote the statistics; they are available to the minister and his departmental officials. I am referring to cases reduced from indictable offences to lesser offences. All of this makes me wonder whether the Criminal Code is really in touch with the realities of the seventies.

I have to wonder when, if ever, the minister and his department will come to grips with the over-all problem of dealing effectively with the whole range of sexual offences or the whole range of other offences in the code. There are several offences against property, offences against the person, and so on. Let me confine myself to this aspect today, namely, sexual offences.

I am very impressed with the material I received from the Law Reform Commission. However, I am afraid I have been impressed before. I have read reports that have come to grips with the very difficult, over-all problems. As a practising lawyer, I have never been the beneficiary of any approach by government at the federal level other than a patchwork one desperately trying to keep our code up to date. In other words, I ask the minister at some stage to resist the historical tradition of this approach to the code.

I suggest, in all seriousness, that certain law school classes—I think specifically of criminal law and evidence classes—occupy a very large percentage of their time with the professor pointing out to the students the anomalies, inconsistencies and contradictions that inevitably are available to such a professor because we have approached our criminal justice for such a long time in the manner I have described.

In looking through the Statistics Canada figures, I wonder why we still have a provision for the offence of

seduction of female passengers on board vessels. I think it is still in there. It certainly was in 1971. I am sure at one time it may have been necessary. I can imagine the period of large immigration of young women coming to Canada to work as domestics, being away from home, without protection of any kind, on a very long and difficult sea voyage from Europe to Canada. Maybe at that time it was essential that something be done, although I rather doubt it; I think other sections could have covered it. Why, in the seventies, we should be preoccupied about the seduction of female passengers aboard vessels is something which escapes me.

● (1620)

There are other provisions we should be questioning. Rather than reacting to the difficulties of society in a somewhat reactionary manner, we should be working out more positive responses. Why should we be so concerned about sexual intercourse with a female employee or with the seduction of a female between 16 and 18? Surely there are other parts of the code capable of dealing with this type of behaviour. When I look at the section covering seduction of female passengers on vessels, I think it would be more pertinent to worry about the seduction of female passengers on motor bikes, or hitch-hikers. If we want to regulate, let us do so with regard to female passengers on motor bikes, and female hitch-hikers. I do not think we should be reacting; I think we should be acting.

I am afraid the code is a series of regulations which display little leadership. There are many things we can discuss in committee. There are questions to be answered, and possibly some amendments to be made to these amendments. I hope that at some stage we shall begin dealing with things that are a little more pertinent. I have to ask myself and my colleagues in this Chamber, what is "previous chaste character"? Is it credibility we are looking for? In four sections of the code, if I am correct, the words "of previous chaste character" are operative words for the court to consider. I have to ask myself why this is in the code. There are, obviously, certain circumstances in which credibility, pattern of behaviour, or any number of things may be interpreted in the light of previous chaste behaviour, but surely we need not make operative words such as "of previous chaste character" of such importance.

Again, I wonder why, except in rather remarkable circumstances, we should identify the sex of a victim. Indecent assault of a female is one thing; indecent assault of a male is in another section. I ask myself why we are so preoccupied with identifying the sex of a victim. There may be occasions upon which this is necessary, but if we agree with this type of wording, why should the sex of the animal not be specified in offences involving bestiality? It is as absurd as that. I would hope that when changes are forthcoming in response to the work of the Law Reform Commission or otherwise, the minister will come to grips with that sort of question.

With respect to Bill C-71 as it deals with rape and related offences, we are dealing of course with myths, as we always do. The myth is that a "bad woman" is incapable of being raped. The hon. member for Central Nova (Mr. MacKay) dealt very effectively with this aspect yesterday. We have to deal with the myth that the credibility of a "bad woman" is immediately in question. I was never sure what that phrase meant. As a lawyer, all I knew was that it was of benefit to hurl as much dirt as possible in the direction of such a woman, hoping that some of it would stick and that the jury would disbelieve what she said. We avoid making a value judgment as to what is good or what is bad; we simply try to paint her bad or good without asking ourselves what is good or what is bad in today's society.

I am just trying to help the minister because I have a great deal of respect for him. I hope he will not be tempted to follow a course based on reaction but, rather, that he will act positively to lead the code in directions which are not only more practical and more realistic but more in keeping with the integrity of the House, of the department and of our fellow Canadians.

I shall not deal specifically with the various sections. On second reading I would prefer, rather, to generalize. I wonder whether the minister should not be thinking of completely eliminating the offence of rape. When I consider all the aspects the Crown must prove in a rape case, I can think of behaviour which lacks those certain elements but which might be far more offensive to the victim, or to society, than rape. One important part of a rape case is proof of penetration. I can think of behaviour toward a victim which is far more dangerous than that—although it is, of course, a serious matter.

My hon. friend from Calgary North (Mr. Woolliams) said yesterday that perhaps we should be thinking in different terms. I suggest this to the minister for whatever it is worth: I wonder whether in this whole area we should not be thinking in terms of assault rather than intercourse. After all, that is the nature of a rape case; it is intercourse by assault. If you can prove there has been no assault, you can prove consent, which is a good defence. If we really wanted to come to grips with this area of the code, we would be thinking in terms of assault. The nature and the degree of the assault would be reflected in the sentence. If it were a horrendous assault resulting in grievous bodily harm, that would be dealt with in terms of the sentence. The crime would be criminal assault on a male or a female. I do not know why we should not consider that aspect. It is not necessary that bodily harm result, though, again, if bodily harm did not result that would be pertinent to the sentence imposed on persons committing such offences. I very much question whether it matters whether the victim is a male or a female. I think we should be directing our minds to these points.

Mr. Speaker, I have taken more time than I had intended, but I feel strongly about these matters and I appreciate the opportunity to make a contribution. These amendments, regarded in a very narrow light, are good. They are another in a series of amendments that have been made over the years. If we continue our present course, I suggest our successors will likely see the same amendments 20 or 30 years from now. I hope that in his new portfolio, in which I sincerely wish him well, the minister will regard the Criminal Code, not as legislation that should be patched, plugged, enlarged or restricted but, rather, as a great challenge, one that the minister is capable of coming to grips with. Speaking for myself, I look forward to the time when legislation is introduced, not dealing with iso-

lated amendments to the code but demonstrating a really genuine and new approach to criminal justice in Canada.

● (1630)

Mr. Arnold Peters (Timiskaming): Madam Speaker, with my non-legal mind I have been listening to the arguments made in this debate particularly on the subject of assault. I know I will get myself into a great deal of trouble if I, in a non-legal way, try to discuss the subject in the way the previous speaker did. However, I have always wondered why cases of assault have not been divided into various categories, such as grievous assault and other kinds of assault, which establish a distinction in the minds of people between assault on a man, assault on a boy, assault on a woman, assault on a child. Each one of these assaults has a different name, and the newspaper reports of them usually are as detrimental as the changes themselves. Much has been said lately about the problems a person may face if he is the victim of assault, to the extent that in Ontario victims are compensated. Eric Silk has been on a commission adjudicating cases brought for compensation for victims of assault, and surprisingly not nearly enough people who have been assaulted want to apply for compensation for their traumatic experience.

The amendments to the Code are, in the main, legalistic but a number of changes reflect public opinion and some of them can be discussed by laymen as well as those trained in the law. I should like to refer to several of the clauses in the bill indirectly and discuss them.

One part of the bill of interest to me is the change to the Criminal Code prohibiting possession of devices designed to obtain telecommunications service without payment. When I read this part of the bill I asked myself whether it was an attempt by the federal government to correct what happened in the province of Quebec recently when Bell Canada took someone to court for using extensions not provided by the company. It appears to me that the government is now putting forward this sort of legislation to make it easier for telecommunications companies to protect themselves in a field in which they legitimately believe they have the right to make charges for equipment, when that same right is not given to other utilities.

When you buy water from your local town, or a sewage connection, you are entitled to put in a Crane bathtub or one from New Departure, or any other make of bathtub. You do not have to use one supplied by the town. You do not have to use taps approved by the same authority. All you have bought is water service and you put in the connection. It is true there may be some municipal by-law limiting the number of people living in the house, probably because they do not want the sewage system to be overloaded. The water service is often metered and you pay for the amount of water used, but, as I say, they do not insist on a specific type of facility being provided.

The same is true with hydro. One of the things that the founder of Ontario Hydro, Sir Adam Beck, took into consideration when hydro was bought by the Ontario government from a number of private companies was that they would supply electrical power and facilities at very low cost. The company then started to manufacture electric light bulbs and a number of other attachments of an electrical nature for which Ontario Hydro were trying to set a standard. Finally, this idea was abandoned and anyone could buy an appliance so long as it was of an approved type. For example, a Moffatt stove can be connected to an electrical circuit—

The Acting Speaker (Mrs. Morin): Order, please. I wonder whether the hon. member is dealing with the amendments to the Criminal Code. Perhaps he would limit his remarks to the amendments to the Criminal Code.

Mr. Peters: Madam Speaker, on page 20 of the bill a clause has been added which affects use of services in the field of telecommunications. It is my impression that what the government is trying to do is to give back to Bell the right to own and supply, for a fee, all facilities used in telecommunications systems, including house telephones. The courts in Quebec told the telephone company they are only entitled to charge for that which belonged to them or for additional facilities that they put in.

There are a number of companies that sell telephones, recording devices, answering services and a whole range of facilities that meet standards of approval. These items are not provided by the telephone company on lease but are owned by the householder who has them installed. I used the example of hydro, water and a number of other facilities so as to indicate that in no other field has a utility demanded more than entrance into the premises and payment for rental of any equipment provided by the company at their expense.

I hope the minister is aware that a number of private companies sell telephones and provide answering services. If he is working only in the interests of Bell Canada to ensure that only Bell facilities are to be used, he is doing a disservice to the public. I hope this is not his intention. I hope he is not objecting to people using crystals that are used for channels already being used by other facilities. It is not illegal now for you to buy a crystal, if you know the type you want, for a scanning device. It is not impossible or illegal for you to buy such a crystal and use it.

● (1640)

I hope the minister is not, through this all-embracing clause, trying now to do something that was an oversight in the previous legislation regarding wiretapping. I will not pursue this matter, but I say that from the public point of view it may be very upsetting to find that we are now passing a piece of legislation that will give the right to a telephone company to come into your house and tell you what type of device you may use, being only those devices the company is willing to rent you, rather than allowing you to buy the facility or device for installation according to your own requirements.

The second point I should like to touch upon concerns another very difficult problem about which the minister may have had some thoughts. Perhaps he may always have been so well off he has never bought a used car. Therefore, he may well believe that the police have the right to arrest you with the presumption that you are guilty until you prove your innocence. When one buys a used car it may well be that that car has been stolen, or contains parts that have been removed from stolen cars.

Mr. Basford: Madam Speaker, may I correct the impression of the hon. member by informing him that I bought a used car this spring, and this summer spent $750 for a new transmission.

Mr. Peters: Madam Speaker, the minister should have checked, because there should be a serial number on the transmission. If it was a rebuilt transmission, it probably came from some other car and in that case he should be skeptical, because the car from which it came may well be a car that was stolen for the purpose of supplying used parts.

Mr. Paproski: He bought it in Vancouver.

Mr. Peters: I am not suggesting anything wrong on the part of the minister, but if he bought a transmission that was rebuilt, it may well have come from a car that was stolen just for that purpose. I am not suggesting that is what happened, but that is what he is suggesting should be the law in these amendments.

Automobile models in recent years have a small identification tag close to the windshield on the front dash, where it can be seen. In the past there were serial numbers on only the chassis and the engine of a car. I am sure most people in this House have never looked at the number on their engine to see whether it corresponds with the number on the dash. It is up to the Crown to prove, first, that a car was stolen and, second, that the person buying that car knew it was stolen. We had a very bona fide car dealer in my home town, supposedly, from whom a number of people bought cars. It was later found that he was buying from a stolen car ring in the Rouyn-Noranda area and all the cars he was handling were stolen. When this was discovered the people who had bought cars from him found they did not own those cars. It seems to me that is a big enough penalty without saying in the legislation they are guilty of an offence for buying those cars.

If a person knows his car is stolen at this date, or even that changes have been made in the serial numbers, then he is guilty of an offence. If we make this change, it appears to me that in a non-legalistic way we are saying that such an individual has the onus of proving that he did not know the vehicle was stolen when he purchased it. Therefore, such an individual is presumed guilty until he has proven his innocence. That is a mistake and will lead to abuse. But it fits in well with what this government is doing in many cases; it is taking away the rights of the individual.

Let me give an example. This government has put through legislation that allows the police to search you at airports. Perhaps it is extending that now to the highways, so that the police can sit outside hotels where they know people are drinking. They can wait for these people to come out and immediately arrest them. In such a case the police will know that those people did not spend two or three hours in the beer parlour playing horseshoes, or whatever they play in beer parlours.

An hon. Member: You wouldn't know that.

Mr. Peters: They play darts, or whatever it is they play on those small tables—not pinball games.

Mr. Knowles (Winnipeg North Centre): I don't know.

Mr. Peters: Stan has never been in too many beer parlours, either. But these games are somewhat like curling, which you play on a small table.

Mr. Basford: Shuffleboard.

Mr. Peters: Yes, shuffleboard. It is not likely these people have spent three or four hours in that beer parlour playing shuffleboard without having something to drink. The cop can just sit outside and when these people come out, get into their cars and drive out onto the road, the cop can arrest them. The individual does not have to give any indication that he is driving improperly by crossing the line, or something of that nature. The police will automatically pick him up. This will be a beautiful way for the lazy cop to get his quota: he will probably be able to pay his salary very easily in a small community.

Every time there is a dance in these communities, the police could sit on the roadside and pick up the people as they come out, and they would be presumed guilty. It seems to me it would be much fairer to say that all beer parlours in the country could serve only two drinks to each person at any one time, and if more than two drinks were served the bartender would be guilty of an offence. This might be better than allowing them to sell as much as they can, and then send them out on the road where the police can pick them up, knowing full well that if they stop every car they will get a conviction in 75 per cent of the cases.

An hon. Member: Think of the increased conservation of gas.

Mr. Peters: This may be a way of curtailing consumption of gasoline because the police would not have to do very much driving: they could just park at the one place and wait for the customers to come to them. I suppose they do this in regard to bawdy houses. That is why the police do not like freelancers on the street, because they have to go and look for them rather than standing outside the bawdy house waiting for the men to go in and then raiding the place.

It seems to me the minister is doing a lot of things, in response to public demand for law and order, that really will not create law and order. It seems to me that many of these things favour the police and do nothing for the individual. I am sure if you asked people in this country how they felt about prohibition, you would find they were not in favour of it; yet they might agree to allow the police to sit outside our hotels arresting everybody who came out onto the street. That is an exaggeration, but that is what appears to be said in these amendments.

We have had great difficulty in providing any kind of defence to the breathalyzer. I remember suggesting on a number of occasions when the breathalyzer legislation was brought in that there be a method provided allowing the defendant a breathalyzer sample for his own use. You will remember that the then minister of justice, the hon. member for Ottawa-Carleton (Mr. Turner) promised that when a breathalyzer sample was taken, a sample would be provided for the use of the defence. To my knowledge, that has never been successful and has been discontinued.

What we are really saying in this legislation is that these people on the road are guilty, so the police might just as

well take along a receipt book and collect the fines. With the changes proposed in this legislation, they might just as well confiscate the cars and take the drivers down to the hoosegow, because they are going to receive a sentence in any case. I think the public should know that, or should be aware of the fact that this is exactly what is going to happen under this legislation. That is why I am opposed to it.

There are many changes proposed that are necessary and worth while, and we should congratulate the minister for them. I am not particularly bothered by the clause in respect of cattle rustling. I think it is amusing that we should go back 100 years and insert a special provision to prohibit cattle rustling. However, I am completely in agreement with those who maintain it is a very serious problem, even if some people derive quite a good living from it. It is a serious offence. The offence is always related to the price of the animal. There is difficulty involved in meeting the normal requirements of proof when only the insides of the animal are left in someone's field.

● (1650)

There are some interesting offences. One which I believe deserves an explanation from the minister is the one concerning begging. I would think the minister would be ashamed to include such a clause in Canadian legislation. When we have to legislate in the way they do in India or in some of the near East countries to prohibit begging, then I think we should do something about unemployment and the payments paid to welfare recipients so that this would no longer necessary. When we find it necessary to write legislation, in 1975, to prohibit begging, this says something about our society which would be better left unsaid.

There is another clause in which I am interested, although I am not qualified to speak on it and I hope no other member of this House is. It involves the problem of detention of the mentally ill. It relates both sentencing and the question of whether or nor these individuals should be tried. In my area, I have found quite often that the psychiatrists to whom these people are sent are crazier than the people sent to them. Often these people could be certified under any definition we might use. I know some of them. They would not meet any of the criteria a normal person would use in determining sanity. I know a young lad in my riding who had a serious problem. He was sent to Penetanguishene. When he returned, his doctor informed me that the would probably never be normal again. We sent him there for examination, and that is what happened to him while he was there. It seems to me this situation is often repeated.

Places like Penetanguishene would be very good places in which to produce horror movies. There probably are not too many places where one would find the kind of people who are in charge of such institutions. The people in these institutions to which we refer people are not the types who can do anything for them. I respect the judge who is sympathetic with these people, who remands them for examination and then sends them to places where he hopes something can be done for them in the way of assistance, so that they will come back with a recommendation for further care which will eliminate the need for a trial in respect of the offence they may have committed. Then there are judges who sentence people for a period of more than two years simply so that they will be able to get them into a federal institution where they can obtain psychiatric help. I have visited many of these institutions and I believe that such a judge is misguided. I believe more serious consideration should be given to this matter.

There are good institutions. I think particularly of the Clark clinic in Toronto. It has a very good reputation. Unfortunately, it is not one of the institutions to which people can be sent by a court. This institution has done remarkable work with disturbed people. It is the kind of institution to which I believe judges think they are sending people.

In this bill we are making a number of amendments concerning the mentally ill. I believe this to be one of the worst problems we have in our whole criminal structure. In this regard, I do not believe we are able to obtain the type of advice that is needed for our courts, our prosecutors or the defence. When a person is sentenced, he is frequently sent to a place at which he will receive absolutely no assistance in correcting his mental difficulty. In many cases, the difficulty will merely be accentuated because of loneliness, frustration, segregation and the other things which quite often are the fate of those committed to penitentiaries because of unacceptable, anti-social crimes.

It is right that we should try, in respect of the Criminal Code, to correct some of these things in relation to the mentally ill; but if there are no suitable institutions to which people could be sent, then it seems to me we are merely satisfying our own conscience by passing this legislation. I am sure that any lawyer in this House who has had anything to do with criminal law, and has seen a person committed to our mental institutions, knows full well that such an individual is being sent into a situation which will cause the deterioration of his condition and certainly will not help him overcome the anti-social condition he had which took him out of society in the first place.

One matter which has not received attention in this bill is that of adjournments. Sometimes when a person is charged with a small offence and attends court, he finds that the defence lawyer is not feeling good on that day and adjourns the case. Such a person has the expense involved of bringing his witnesses again and hiring a lawyer. The next time he attends court, perhaps in another two weeks, the Crown prosecutor may stand up and ask for an adjournment because he has a golf game or some other important activity. On another occasion, the judge may decide that he does not want to hear the case at that time because his holidays are coming up. Believe me, this happens very regularly during the summer. In some instances a case is adjourned for two months.

It seems to me that when many of these cases are adjourned for periods of eight or ten weeks, justice is not being done, it is not seen to be done, and in my opinion it is being abused by those who are supposed to protect the judicial system. I am quite sure there are legitimate reasons for cases being adjourned, but I do not think the excuses I have heard on a number of occasions in court are legitimate excuses which warrant bringing the person charged back into the court week after week at considerable expense, and sometimes at the loss of his job.

● (1700)

I have mentioned that some of the provisions in this bill, I believe, are the result of overreaction on the part of lawyers to a legitimate call for law and order. I also think that a number of things were left out which should perhaps be in this bill. But I hope that members of parliament will not consider it necessary to tighten the laws to such an extent that the rights of the ordinary citizen are jeopardized and he is penalized for actions which he takes which are not detrimental to society.

A great deal has been said in the last few days about drinking drivers. I am impressed with the amount of my money that the insurance company is spending to carry out surveys to find out how many accidents have been alcohol-related. I have paid for these surveys. I have not had an accident for a long time, but my accident insurance goes up and up, partly because the insurance company is trying to protect itself rather than doing something about problems over which they may have some control, one of these being the issuance of large sums of insurance money in the payment of claims, which allows people to drive when they should not be driving.

The insurance companies know very well why they collect such large premiums, and they have control over that money. It is also a fact that drunken drivers have been the cause of far too many fatalities. But I suggest that our criteria are wrong. A police officer judges the situation when he sees a car going off the white line or wandering over the road, the driver driving erratically or behaving in an abnormal way. This warrants the stopping of that car and allows the policeman to ask the driver to step out, and if he has reasonable grounds to suspect the person may be under the influence of alcohol he will take him for a breathalyzer test, against which there is almost no defence.

We did not supply the police with the means with which to test drivers on the spot, but we accept the results of the breathalyzer machine and that becomes the overriding factor upon which to convict the driver. However, the police officer need not observe any unusual behaviour; all we require is that if a driver is stopped and refuses to take a breathalyzer test, regardless of whether he has been drinking he is arrested and may be convicted. Even if there has been no abnormal behaviour and a person is observed only to have left a party, a beer parlour or some function where alcoholic beverages were served, the police officer may wait until the man steps into his car and before he even drives it can require him to take a breathalyzer test and arrest him if he refuses. That may be a great way of raising revenue for the police force, but it seems to me the minister should be fair and should provide the public with some protection against such things as speed traps and the kind of trap I have just described, both of which are permitted under our judicial system and are designed to fleece the public.

Everyone in this country agrees that if a person is unduly under the influence of alcohol so that his judgment and driving ability are affected, he should not be driving. But we do not ask him what his IQ is, and we know there are people who have driving licences whose IQ is very low and whose reactions are very slow. Some very good drivers who have more than the permissible level of alcohol in their blood are able to function much better than some people who have taken no alcohol. I watched some tests this summer of people who had taken drugs or alcohol, highly qualified drivers who drove cars on the track under controlled circumstances. It was surprising to see that those people did a lot better, even after taking large doses of drugs or alcohol, than most of us in this chamber could do, because they were highly skilled drivers and for them to be half capable still meant they could drive much better than most people.

So I suggest that we should not get carried away and pass laws without providing any defence for the ordinary citizen. We should not take away the rights of an individual on the whim of a police officer. It seems to me that the breathalyzer test is a terrible law and lawyers should be opposed to it. I have spoken to many lawyers, including Arthur Martin, whom I consider to be perhaps the greatest criminal lawyer in Ontario. He agrees that the ordinary citizen has no defence in these cases and that this is deplorable. He said it is unfortunate that we have not been able to develop any kind of equality between prosecution and defence in breathalyzer-test cases and in the operation and supervision of tests, and that we have been unable to give the defence a decent break. The law now extends to drivers who have more than two beers and it would apply even, I am sure, to most members of parliament who visit Your Honour's quarters on occasion and are served refreshments, following which they drive home. Yet we are the people who will vote.

Some hon. Members: Oh, oh!

Mr. Peters: The hon. member for Winnipeg North Centre (Mr. Knowles) has never been impaired since I have known him, not even on tomato juice, and this might apply to others here. But there are other hon. members who would be hypocrites if they voted for this provision in the bill which would convict them after drinking 2½ beers. This is the kind of change for which lawyers are asking now. We have many prosecutors and defence lawyers in the House who are very learned in the law. They should also be learned in common sense, because they seem to lack it when they get bogged down in the details of the complicated amendments in the bill before us.

I call for some defence of the average person who today may believe that this is a good bill, but when he is arrested will consider he is being harassed and unduly prosecuted. In my opinion, he would have grounds for thinking so. It seems to me that justice should also be carried out with regard to these people.

● (1710)

[*Translation*]

Mr. Gilles Marceau (Lapointe): Mr. Speaker, having been a member of the Committee on Justice and Legal Affairs since I became an MP in 1968, I am pleased to take part in this debate, not to lengthen it, nor to make revolutionary suggestions, but merely to voice my frank and sincere views on the proposed amendments.

The bill amending the Criminal Code is one among several others which are part of the permanent review of the Criminal Code, a necessary operation—as regards substance, procedure and evidence—to take into consideration

the development of outlooks and create more effective means to control crime.

It is also seen as an opportunity to assess the results of recent amendments and bring further alterations. Increasingly, criminality takes an international turn. The amendments concerning conspiracy and the laundering of illegal income deal with that problem. Some practices of our modern way of life involve the increasing use of credit cards, which incites and even compels the legislator to attack specifically such problems as theft or fraudulent use of credit cards and swindling in matters of telecommunication.

Mr. Speaker, the amendments introduced at the present time are the result of various cases of some specific problems that have risen and in others, the awareness that the existing provisions have become outdated. These amendments, whose purpose is to remedy some problems that have already risen or that are expected, follow to a large extent the recommendations made by the criminal law section of the conference on uniform legislation, by the Canadian Bar Association, the provincial attorneys general, police departments and the general public opinion. Therefore, it is a participation process involving all segments of the population. Besides, the works of the Law Reform Commission will very likely lead to new recommendations along this line.

The bill now before us, Mr. Speaker, is only one of a series of bills introduced in recent years to update the Criminal Code. To me this updating is necessary if we want the Crimianl Code to remain an effective instrument of control in an ever-changing society.

I said earlier, Mr. Speaker, that the proposed amendments aim at making the code provisions clearer and more precise where there have been difficulties. One of the most obvious areas is that of bail. The main purpose of the Bail Reform Act enacted in 1972 was to prevent an accused from being detained under guard without real necessity before his trial. However, it was soon realized there was an obvious need to make some provisions harsher so as to close the door to abuses capable of jeopardizing the consistency of the pre-trial release system. The general rule remains the same. When someone is arrested and appears before the judge, he must be released on bail unless the Crown gives the judge convincing reasons in favour of his detention. The changes are important, however, for in some cases they hold the accused rather than the Crown responsible for proving that public interest does not warrant temporary detention. Such could be the case of an accused who is waiting for his trial for a previous criminal act, after having abused the liberal provisions of the parole system.

The provisions governing driving while under the influence should be further defined and strengthened. Under the current provisions of the Criminal Code, a police officer cannot demand a breath sample unless he has reasonable and probable cause to believe that the driving ability of an operator is impaired, which is practically without effect, and except for breathalizer tests which, under a number of provincial statutes, law enforcement officers may carry out on the spot and at random, they cannot take preventive measures to discover delinquents.

Alcoholic drivers are a serious and constant threat on our highways. That is why the amendments proposed today would authorize the police to make road controls, to track down possible law breakers, when an agent has reason to suspect that a person is driving in a state of drunkenness. Of course, we will need the co-operation of the police forces if those amendments are not to be used to the detriment of the population. But I feel we must show confidence in those who are entrusted with the heavy responsibility of keeping order, and who have to use their judgment every time circumstances warrant it.

Mr. Speaker, another objective of the bill is to introduce in the penal code provisions to deal with the crimes that make the headlines in our society. The increase in international gangsterism creates a serious problem for our own forces. That is why we must change our Criminal Code.

Whoever has in his possession what he knows to have been obtained fraudulently commits a crime. However, that provision applies strictly to the object that was stolen, not to whatever it has been transformed into later on.

The amendment introduced today and which I fully support provides that it is illegal in Canada to be in possession of goods or proceeds while knowing that they were obtained by criminal offences committed either in Canada or in foreign countries. This amendment is meant to prevent the entry in Canada of forged goods stolen or illegally procured, but touched up, and to strengthen law enforcement forces in their fight against international gangsterism.

What is the most important, in my opinion, in the proposed amendments, is to update certain parts of the Criminal Code to catch up with the change in the way of thinking of the public. Under the amendments discussed in the House, electric billiards machines, which dispense as prizes free games, are excluded from the group of prohibited slot machines.

This change in the way of thinking, Mr. Speaker, is reflected in the provisions of the Criminal Code dealing with electric billiards and lotteries.

Mr. Speaker, it is important to recall that in Quebec, games of chance play an important role and are a source of income for a great many people. Now, Mr. Speaker, if a man in Ontario operated a slot machine and was charged, he was fined but the machine was not seized. In Quebec, in similar cases, not only did the offender pay the fine, but the machine was seized, so much so that people in Quebec were being discriminated against and yet they were not operating the slot machines in a more illegal way than people in Ontario.

This provision, Mr. Speaker, will allow people in Quebec to operate the machines and it will create and protect a substantial number of jobs. I know what I am talking about for having been appoached by many people to make representations in order that the legislation be extended to allow Quebecers to take advantage legally and normally of the games of chance, legally controlled. Of course, abuse should be avoided and people should not be encouraged to spend their salaries in games, but there is still a mentality in Quebec which we should respect, and this is to spend large amounts of money on games. Mr. Speaker, I would like to make a personal remark and oppose one of the

provisions in this bill. One of the amendments is aimed at removing corroboration in the case of rape.

I would like to speak strongly against this amendment which I think is not realistic. As attorney for the defence, I had the opportunity, on several occasions, Mr. Speaker, to attend trials with people charged with rape. I had the occasion to face one of the most perfect scenarios prepared by Crown attorneys who urged their clients to wear the most sexy clothes of course, as they were women. A scenario whose purpose is unfairly to influence the jury which from the outset is sympathetic to the woman in the witness box who has been the victim of the abuse. There is, in my view, in that kind of trial, an implicit condemnation of the accused and by removing the corroboration requirement we would place the accused in an unfavourable position to the extent that the basic principle of our legal system, namely that the accused must be presumed innocent until proven guilty, would practically no longer exist.

● (1720)

I grant you, Mr. Speaker, that it may be difficult for a person who has his first experience in court to express himself easily, to present his problem in a thorough and fair manner, and that, in case of a rape, the victim must be given the chance to explain her case and be protected by the law. But that is a long way from placing the accused in jeopardy. I think the bill goes much too far and does not take certain situations into account, all the more so since rape victims have often placed themselves in a situation which invited the attack. Those women have sometimes placed themselves in a position where they are in—

Some hon. Members: Ah, ah, ah!

Mr. Marceau: I am not punning, they are positions, which both in theory and practice have induced the accused to succumb, almost unwillingly. We should try to achieve a balance, a form of justice between the accused and the suspect. But I think the legislation goes slightly too far in that respect. Anyway what I am asserting today might well be proved by facts. But I do intend to keep an eye personally in my own area on trials in that respect, and I do intend to return to the charge if it actually happens that the accused, who has a right to be defended, is the victim of an injustice, even if I agree forthwith that rape crimes are sordid crimes which should in no way be protected by the law.

Mr. Speaker, the proposed amendments are the symbol of a constant concern for the keeping of law and order in our society on the part of the public, the police force and the government. We all too often have the feeling of a lack of balance in that respect. It is important that the interests of people be safeguarded and protected from particular individuals or groups. At the same time, we have to protect individual interests and rights. But that protection should by no means be achieved at the expense of society as a whole. I intend to vote for the proposed amendments in spite of the restrictions I voiced. However, this gives to understand that a global reform of law, which is presently being studied by a commission, will be carried out as soon as possible, for criminal and penal law is one of the most important and essential tools for the protection of society. That law should therefore be adapted to the present needs and take collective and individual rights into consideration. I thank the Chair for giving me the opportunity to voice my opinion in that matter, and I hope we can pass that bill soon and enforce it just as soon, and bring more amendments to it as often as the need arises.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I hope I will not take too much of the time of the House, but I am interested in two aspects of the bill and I want to address myself to two particular clauses. I will keep within the Speaker's injunction of not particularizing at this general stage. I want to pay some attention to clause 75; I suppose one might term it the Morgentaler appeal provision. Obviously, the case of Dr. Morgentaler is the reason for this change in the Criminal Code. I congratulate not only the present Minister of Justice (Mr. Basford) but the former minister under whose auspices this essential reform is placed before us.

It is a very fascinating study to look at the Criminal Code and try to discover why Canada got itself into this position relative to appeal procedure. I asked the library of parliament to look at this question when the issue had so much publicity some months ago; then I had some research done by Mr. Arthur Blakely of the Montreal *Gazette*, who wrote a most interesting column on the subject in the July 2 issue. It was found that this provision in the Criminal Code came about without any debate at all in parliament. I think one member, Mr. Tommy Church of Toronto, objected to the provision. It came about under the auspices of a liberal—both capital and small "l"—member, the late Mr. Ernest Lapointe, minister of justice. As far as we were able to discover in research, parliament passed it without any comment at all.

● (1730)

The origin was in the 1923 amendment to the Criminal Code when the provision for narcotics offences was inserted. The provision was that there would be no appeal. This is a very cursory and rather simplistic comment at this stage of the debate, but years before, in Britain, a criminal court of appeal was set up. As was usual in those days, Canada lagged behind substantially: in criminal cases there was no appeal procedure. Senator McMeans of Winnipeg should be honoured by the Law Society of Manitoba for getting the then government to amend the law and provide for an appeal procedure. In any event, the government bought the package. I am sorry I am falling into using contemporary cliché. I determined that I would never use the word "package," but I find it all around me. We have packages of housing and packages of law. Here I am, caught in the same cliché.

In any event, the amendments were approved by parliament. As I understand it, until the Morgentaler case no court ever reversed a jury's verdict. If I am not correct about this, I hope that at a later stage somebody will tell me so. I hope I am not inflexible. The government has now seen fit to deal with what, more than civil libertarians, anybody who has an interest in law reform must have seen as a serious aberration in the law.

I want publicly to pay tribute to Mr. Blakely for his column and historical research. I hope one day the Law Society of Manitoba will in some way remember a senator

who did something that a government was not prepared to do except as a compromise back in 1930, namely, having an appeal procedure.

I want to refer, as many of my colleagues have already, to the sections dealing with sexual offences, rape in particular. With the greatest respect to a person for whom I have great admiration—the previous speaker—I feel, and I hope we can talk about this at the committee stage, that it is insulting to the victim of rape to say, as I believe he did, that in many instances she is asking for it. This is one of the oldest slanders on women. I am surprised that an otherwise progressive member would fall into the trap. It is an old one, it is an ugly one, and it is one that I personally deplore.

Lord Chief Justice Matthew Hale, the famous seventeenth century English jurist, assured himself of immortality when he wrote the words, "Rape is an accusation easily to be made and hard to be proved, and harder to be defended by the party accused, though never so innocent." The trouble with the jurisprudence in this part of the law is that most people would agree with the seventeenth century chief justice. I suggest he was wrong. Rape is, indeed, a most vicious crime. I do not for one minute say that my hon. friend thought otherwise; I just meant that his attitude about victims was wrong.

Four out of five rapes go unreported. It is fair to say categorically that women do not find rape an accusation easily to be made, despite the chief justice who in his time and place was reflecting attitudes of a government of a couple of hundred years ago. Those who do report their rape soon find, however, that it is indeed hard for it to be proved. We have extensive records to show that this is the case. By and large, a successful legal defence is rather easy.

This quotation is from a horrible book—horrible in its statistical data but a very powerful exposé on the history of rape. It is called "Against our Will", written by Susan Brownmiller. It is a very contemporary book that was just received by our library. She wrote that the law requires that you examine with caution the testimony of the female person named in the information. There is the injunction that is slanderous, or bordering upon slander. There is no other crime of which I am aware where the deponent is not believed or needs support. However, in the case of rape a man usually does not believe the person; therefore, all sorts of unpleasantness results in the trial. I quote from the book:

> That the testimony of the female person should be examined with caution is the bottom line in all rape cases from the moment they are reported to that rarer moment, if ever, when they are actually brought to trial...
>
> To a woman the definition of rape is fairly simple. A sexual invasion of the body by force, an incursion into the private, personal inner space without consent... constitutes a deliberate violation of emotional, physical and rational integrity and is a hostile, degrading act of violence that deserves the name of rape.

The fact that many people have been able to speak about this subject freely is a healthy sign. This has been after a good deal of persuasion, mostly by women and, in a very dramatic way, by the Royal Commission on the Status of Women and the Advisory Council on the Status of Women. A great deal of supporting documents have been prepared, for example by M. H. Rioux and others, and all have raised our consciousness about the subject.

I congratulate the government for making a move, but I am saddened by the fact that the move is not the reform called for by the Law Reform Commission. The Law Reform Commission said that the matter of the woman's character should not be relevant in a rape case. I, for one, would have supported the minister had he seen fit to go to that extent.

● (1740)

I have just a couple of other comments to make. One is the interesting discussion by a very modern, contemporary judge, Edson Haines of the high court of Ontario, in Chitty's Law Journal of February, 1975. Mr. Justice Haines, in summary, felt a good deal of improvement could be made, not only as the minister proposes but in the attitudes of the various attorneys general and their Crown prosecutors. I hope the fact that in many of our larger cities, rape crisis centres are being established is a positive thing. I also believe that in every case where a woman is laying a charge or laying information, a woman should be present. Most of our police forces now have women police officers and this is something the municipal police forces and the RCMP could very well do.

The code changes must be supported, when parliament adopts the minister's bill, by a change in procedures, a change in our attitude toward this crime. The attitude of many people is that this is just another event in a person's life; it is tragic; it will be a nuisance to try to catch the perpetrator of the crime, and it is all part of the indignity done to women. Witness the newsstands today. I am, heaven knows, no advocate of censorship, but I think there are instances when our respect for one half of the population, or over one half of the population, should lead us to want to exorcise this evil from our newsstands. It is really one of the most insulting things which can be done to a woman.

At any rate, I hope that with this mini-reform—I call it that; I think the minister could have gone a little further; he could have accepted the recommendations of the Law Reform Commission—the attitude of the police, Crown prosecutors and men in general will undergo a fundamental change. I hope many of my colleagues will see fit to try to get from the library Susan Brownmiller's book, because it tells a terrible story, I am sorry it has taken so many years, in parliamentary terms and in terms of civility, to recognize rape for what it is.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, this is the first time, I believe, on which I have had occasion to address the new Minister of Justice and Attorney General of Canada (Mr. Basford) in his new capacity. I should like to express my congratulations to him on assuming this position. I think it is an honour for any member of the bar to be named to such an important portfolio. It is particularly important now, when, as the minister himself said as he opened the debate, concern for the whole question of the prevention and detection of crime and decent security in our country is a matter of great public importance in the minds of Canadians. He also said Canadians have a right to enjoy a sense of safety on the streets and in their homes and cities, a right which has long been a hallmark of our country's way of life. I use exactly the words the minister used in the opening of his

speech. I think it is important that that be said, because whether we like it or not—and as a lawyer I do not like it—there is a feeling in Canada that perhaps in terms of the administration of justice we have got a bit out of balance.

Perhaps that feeling is caused by the fact that there is a feeling sentences are not long enough, that the administration of justice in terms of penalties is not harsh enough in terms of the realities of Canadian life. Perhaps it has been brought about by the fact that our criminal law is codified. A number of things could have caused this impression. I shall not be partisan, because there will be other occasions when we shall be dealing with other matters and we shall say things about the importance of the administration of justice. Perhaps it is caused, as well, by the fact that we tend nowadays to look, in terms of the administration of justice and the administration of the criminal law, to the causes of crime rather than to the penalties for crime.

For some reason it has gotten about in society that a penalty is not a deterrent. I cannot bring myself to accept that view. It seems, having taken that position, that we have tended to overemphasize the importance of the crowding of the cities, the depletion of good housing and all the other social factors which we say somehow or other make it not necessarily the fault of the perpetrator of the crime. That is the impression, and I think it is a very dangerous impression. I am happy that this bill will go some way toward changing it.

I have no doubt that those things cause a lowering of social conditions and perhaps breed attitudes which cannot be combated by our treatment of perpetrators of criminal conduct, but there is a danger that in some respects, in terms of the administration of the law, we are getting further and further away from the principle that a man or a woman is responsible for his or her conduct, and that if the norms of society are breached there is a penalty to be paid. Perhaps what I am trying to say is that, in terms of the administration of justice, we are perhaps confusing the problem of the rehabilitation of the prisoner with the protection of society.

● (1750)

I, for one, think it is not brutalizing to say that the emphasis ought to be upon the protection of society. That is why we are having demands for gun control; it is not just because of past events. It is why we are taking a more harsh look at capital punishment and a number of other matters. It is just as much part of law reform—and this bill is one with respect to law reform—that we recognize that the enforcement of the law and that the penalties provided for breach of the law fit the crime and the criminal, and it is to this that the court must address itself. An old Scottish judge once said, "Show me the man and I will interpret the law". I think we should consider the wisdom of this ancient Scottish judge who many years ago spoke in that way.

Another matter that is not within the federal jurisdiction but which nonetheless is important to us when we consider any reformation of the law is this. Not only should justice be swift, it should be sure. It should be also fair in terms of what the criminal as well as society can expect as a result of the commission of a certain crime. I think this is what the hon. member for Perth-Wilmot (Mr. Jarvis) was getting at when he said, in speaking of the offence of rape and related offences, that really they are all assaults and that we ought to examine the sentences we prescribe for the different kinds of assaults that there are.

I remember speaking to a retired military officer who had presided at many courts martial and appeals from courts martial. He told me that there was no question in his mind, from his experience—which was as great as any judge educated in the law in any province in this country—that there is a deterrent effect if one knows that breach of what are rules of conduct is going to lead (a) to a charge, (b) to a conviction, (c) to punishment fitting the crime, and that this is swift and sure.

One of the problems that was pointed out to me by a provincial court judge in our city, a man young in years but wise in terms of experience, is that what happens in this country generally is that between the time a man is charged with a crime and the final disposition of the trial some six to nine months elapse. This becomes important in considering the effect of bail laws. Our bail laws have been interpreted as saying that, subject to certain conditions, an accused has the right to walk free. We cannot consider the operation of the bail laws without considering the operation of the courts. When a person accused of a crime is then allowed to walk free, police officers with whom I am acquainted have told me that many crimes are committed by people on bail. I should like to see some statistics in this regard and I hope we will have some to consider when we deal with the bill in committee.

I am not suggesting that the slowness of the courts system is the fault of the Attorney General of Canada, because it is not his jurisdiction. I am merely saying that, in considering the way in which we are to interpret the bail law or how the bail laws should read, we should recognize that in terms of the operation of the courts and administration of justice in all of the provinces of this country there is a slowness today which not only can lead to the walking of the streets by people likely to commit offences, but which offers no deterrent since the administration of justice is not swift and sure. I think these are matters we will have to consider as we go down the road and deal with this bill.

I understand the minister wants to speak and close this debate, but I should just like to turn to one other matter raised in the course of the speech of the hon. member for Timiskaming (Mr. Peters). The hon. member spoke about the road testing provisions of this bill and said they were an invasion of people's civil rights, that they did something to the operation of the criminal law in Canada. With great respect to him, I think he is wrong. In considering this question, the most important aspect has to be public safety.

I look upon the provisions proposed in the legislation as an extension of the public's concern not so much for the person who uses an automobile while his ability to control it is impaired, but for the safety of the person with whom the driver may come into contact. The number of deaths, injuries and maimings resulting from the combination of alcohol and automobile driving is such that we cannot deny that, without some additional protection beyond that which we now have, the public safety will be neglected, and the Attorney General of Canada could be criticized for

that. So I do not criticize him for the provisions that he has brought in.

The hon. member for Timiskaming also talked about the impossibility of raising a defence to mechanical breathalyzer evidence. I have practised in the courts both as a Crown attorney and as a defence attorney, and I will tell him that he is quite right. It is almost impossible to offer a defence against breathalyzer evidence. This is not because policemen are crooked; it is not because they have not been properly trained; it is not because the machines are defective. None of those things are so. It is because of the use of science in the prevention of crime.

To adopt the attitude taken with respect to this matter by the hon. member for Timiskaming is to say that an accused has no other defence available to him. I think he has another defence, and that is the defence of self-restraint, of good judgment. The public has to be protected from time to time from the effect of bad judgment as well. If he feels strongly about the matter, and if the Minister of Justice feels strongly about the use of such a device and about the lack of a defence, then perhaps we should go one step further and consider making it a criminal offence—so as to keep it within federal jurisdiction—for any outlet selling liquor in Canada not to instal a breathalyzer device that a man or woman can blow into during the course of consuming alcohol in that particular place. That would take out some element of unfairness, if this bothers the hon. member for Timiskaming. However we do it, I do not think it lies in the mouth of any hon. member of this House to say that the automobile and alcohol in combination has not become a deadly weapon. It is the movement by the Attorney General in this direction that is important, and I support it as strongly as I can.

● (1800)

We must take a look at what is the right of a citizen in respect of the use of an automobile. I do not think it is an inchoate right in modern day society for a citizen to use an automobile. Rather, I believe it is a privilege in modern-day society. The privilege of using an automobile places upon the user certain obligations, and the very use of the automobile places upon the authorities an obligation to provide protection for those who do not, and even for those who do but operate within the law.

We make rules about everything else, and no one complains. We make rules about how we must operate steamships in certain ways, and we say we must fly airplanes under certain conditions. We accept these things. We accept them because it is important that there be these rules in terms of public safety. I do not see how it is unreasonable to suggest, especially in face of the horrible statistics in terms of injuries and damages, that we ought to extend the same reasoning to automobiles. I do not want to be taken as denying those who might think otherwise, of their civil rights. I suppose our job as legislators in the concept of modern society is to balance the rights as among members of the public who may be affected by the operation of our laws.

In closing, let me say something about the philosophy of the bail reform laws in this measure. There is not a strong movement in this bill away from the change in onus that took place in the earlier revisions. There could be some question as to whether we ought to reconsider where the onus lies in terms of bail, but the original onus in the bail reform act remains the same, in that an arrested person must be released on bail unless the Crown satisfies the judge that grounds for detention exist.

It may be there is some statistical satisfaction for continuing that position but I hope we are not continuing it because, once having taken a position, the government should not back off from it. It is important that in the course of the examination by the committee we at least look at the onus in terms of classification of offence and not just in terms of exceptions. There may be some offenders who obviously have not abused the release provisions because of its being their first arrest or they are not awaiting trial for a previously indictable offence, who could perhaps find themselves out of custody on to the street.

I would hope, in terms of sexual offences involving children—that kind of heinous offence against a person—that we might consider applying the rule of the onus being placed on the accused. I do not think it is a bad thing, in respect of such a charge, that the onus should be on the accused. My experience has been that if I had a reasonable client, in terms of his past history, in terms of the law, his appearance before the court and the fact that he might have some place to go—especially if I could establish through other evidence the likelihood of his appearing for his trial and not committing an offence when he was out—I have never had much difficulty in obtaining bail. There may be instances otherwise; I know it is difficult to generalize. However, I think we should at least take a look at this question in terms of the nature of the offence.

There are other things I should like to say. Generally, for the reasons mentioned by the hon. member for Fundy-Royal (Mr. Fairweather), I approve of the provision in respect of rape. A few days ago I had occasion to speak to a woman who is the complainant in a rape case. She came to see me about Bill C-71, the bill with which we are dealing. She told me of the terror with which she faces the preliminary hearing and ultimately the trial. This woman happens to be a strong person. I do not think it will affect here in terms of the evidence she might give or the way in which she will conduct herself, but she is concerned about her family and other things. I was quite touched by this.

In terms of the requirement for a balance, not between rehabilitation and deterrence but between the two parties in the court room, the accused and the complainant, I think neither of them should be in a different position. The situation should not be out of balance. I believe these amendments do something to restore what has been an historic imbalance in the criminal law. I commend the minister for bringing them forward. I do not know whether or not we should go further. There are some groups and some members, for whom I have great respect, who think we should.

I believe this legislation is a long step forward, not only in terms of the respect that society should hold for women but in terms of the operation of the criminal law, where for too long there has been an imbalance in respect of women because the possibility of public disclosure of evidence has in a very real way made the detention and charging of an accused much more difficult. For this reason, perhaps

much crime has gone unnoticed. Generally speaking, I hope I am regarded as progressive in terms of the law. I have had the honour to practice in this city for a number of years. I think most members of the bar are inclined to look at the law as a living thing. I think they are also inclined to say from time to time that legislatures do not move fast enough to keep up with the dynamics of society. This is an attempt by the Attorney General and his predecessor to do that, and to the extent they have done so, which I think is reasonable, I look forward to the committee hearings on this bill.

● (1810)

In closing, I want again to commend the Attorney General on his appointment and to wish him well in a portfolio which is extremely important to every Canadian.

Mr. Jake Epp (Provencher): Mr. Speaker, I intend to take only a few minutes to present one or two points in respect of Bill C-71. I understand there is a disposition to give the bill second reading before we adjourn today. First, I should like to commend the minister for bringing in Bill C-71 and specifically the provisions relating to sex-related crimes and to rape in particular. I recall a lady coming into my office a few weeks ago and describing her experience and the difficulties she faced at the preliminary hearing and those she would be facing immediately after that. I commend the minister for taking a look at this serious problem and bringing in provisions regarding these crimes.

I want to speak very briefly on the provisions in the bill relating to interprovincial lotteries. One might say that the whole matter of the acceptability by the public of lotteries is a foregone conclusion. If we want to measure the success of lotteries in terms of participation in the Olympic lottery or, for that matter, the western Canadian lottery, I suppose we might find that they are very well received. I should like to present to the Minister of Justice (Mr. Basford) one or two points of view. I seriously question whether at this time—I am not trying to be negative with regard to the bill, but I would like to present the concern I have—we are well advised to permit the promotion and use of lotteries for the purpose of raising money for possibly very justifiable and good causes.

Let me draw attention to the promoters and advertisers of the western Canadian lottery who use the slogan "It's my turn". They have clever ads in the hope that you will participate in the lottery. I should like to point out that in this country there are a fair number of provisions in the law to protect the public from misleading advertising and I am wondering if the western Canadian lottery advertisements are not, in fact, bordering on misleading advertising in using that slogan; because if you look at their various ads you come away with the impression that one of the people in the ad is going to win the next lottery, which is not the case at all. They might, but you do not even know if they have a ticket.

The real point—and I would like to present this very seriously to the minister—is whether we are not encouraging, through the provisions in Bill C-71, participation in lotteries which may be for a good cause but the advertisements for which might create false hopes. I wonder whether the bill does not encourage betting on a large scale, and whether it is not just another move to promote more widespread betting facilities, off-track betting facilities, for example. We know that lottery tickets are being bought by people living at the poverty level who hope to improve their lot. So I would like to present my concern to the minister and say to him that I seriously question whether the legalization of interprovincial lotteries, although they enjoy wide participation by Canadians, is really in the best interests of the Canadian public at present.

The second point I should like to make relates to the provisions regarding breathalyzer tests and alcohol-related crimes. I believe that driving an automobile is a privilege in our society and that it carries certain responsibilities. Many of us have been concerned when another person has been involved in an accident and it is proved that the person involved in the accident was impaired. But often the attitude seems to be that the person was not entirely responsible. There is a feeling in society that a person who is impaired and involved in an accident often gets off easier than the person who is not impaired and gets involved in an accident.

I commend the minister for the provisions he brings in, especially in view of the fact that youth is turning more and more to alcoholic beverages. I shall refer to a study made by Dr. Morris Chafetz, director of the national institute of alcohol abuse and alcoholism in the United States. He points out that in the United States alone, by the tenth grade 50 per cent of the nation's youth report that they are drinking at night in cars. I am sure the minister has other statistics with regard to murders, assaults, rape and other sexual crimes wherein the use of alcohol is an important factor in their commission.

In our society we all feel that we want to be happy and good looking and to remain forever young and have hair on our head. For example, what do we see in the alcohol ads on television? The liquor ads we see show young people who are good looking and having fun together with friends. This is the type of promotion we use. We do not show what happens when there is alcohol abuse. I should like to encourage the minister to enforce our legislation, whereby those who are convicted of impaired driving are taken off the road and their licences lifted for a period of time. I do not believe fines are effective, at least not in our society today. It is one of the risks people have to take.

I said that I would be brief. I commend the minister for taking at least what I feel to be very positive steps. Through a public education system as well as enforcible laws we can show society that alcohol abuse is not to be tolerated and that the carnage on our highways, loss of property, loss of life and loss of family relationships are prices society simply does not want to pay. Rather, we should direct our attention to prevention, and where there is the commission of a crime under the provisions, the law should be very swift and very sure. I commend the minister for this bill.

Mr. Baldwin: Mr. Speaker, I should have liked to have spoken, but I understand there is a feeling that we should finish the bill by tonight, if the minister could assure us that his comments will be completed at least by 6.30 or if we could agree not to see the clock until they have been completed. I really hoped to deal with the question of laundering of funds because I know the government is expert at that. I have here a transcript of the proceedings

where one of the people involved in the Hamilton harbour case pleaded guilty. It makes the most fascinating reading and it is really an exposé of how laundering of funds can be carried out. However, I am going to deprive myself of the opportunity to speak about that—

Mr. Knowles (Winnipeg North Centre): Use it tomorrow.

Mr. Baldwin: —so that the minister can wind up this debate tonight.

● (1820)

Mr. Speaker: Order, please. I should advise the House that if the minister speaks now he will close the debate.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I was rising to my feet to be kind; then we had the interjection of the hon. member for Peace River (Mr. Baldwin). It is regrettable that he missed some of the debate because, I think we had a useful, thoughtful and thought-provoking debate yesterday and this afternoon. I regret that the hon. member for Peace River has interjected the first partisan note into the debate.

Mr. Baldwin: No, it was not partisan.

Mr. Basford: In order not to detain members, may I quickly acknowledge very sincerely the kind remarks that many have made on my appointment as Minister of Justice. It is a somewhat awe inspiring position when one considers the predecessors from both sides that have occupied the office in Canada. I say awe inspiring, and somewhat intimidating, knowing the very eminent counsel that occupy places in this House and also those in the House who, while not lawyers, have a very deep and informed interest in matters relating to our criminal law. I truly appreciate the comments and can assure hon. members that I have always tried to conduct myself with an open mind with regard to suggestions on policy coming from all corners of the House, and I shall continue to do so.

We have had a very thoughtful discussion on this bill and other matters relating to the criminal law and the administration of criminal justice in Canada. I am not able to deal with many of the points raised in the five minutes left to me. All I can do is deal with the very useful points that have been made on such questions as rape, bail, drinking offences, conditional discharges, comments about gun control, and other things, when the bill is in committee, which presumably will be next week.

Because the debate did range a little—and I think that was useful—I want to put the bill in perspective and make it clear that this is one of the series of Criminal Code amendments that this House has now become used to. We are putting through the House, almost yearly, amendments to the Criminal Code of a substantial, procedural and evidentiary nature in an attempt, in a very complex society, to keep the Criminal Code up to date in substance and direction. Bill 71 is one of the series of Criminal Code amendment bills offered in an attempt to keep the law up to date.

Many members touched upon a point with which I agree completely—that simply amending the law from time to time or annually adjusting the Criminal Code is not solely the way to deal with the criminal law and criminal justice system. This is an important bill which makes important changes to the law substantially and procedurally but, as hon. members have pointed out, there are many other things that have to be done and need to be done.

I want to assure hon. members that the Solicitor General (Mr. Allmand) and I will be introducing a further series of amendments to the Criminal Code which are more comprehensive than Bill C-71 and will contain very important measures relating to law enforcement, prevention and detection of crime, changes in the parole system, release of prisoners and many other matters of importance. Some members pointed out that we have to go further than simply amending the law; we have to be concerned about the administration of justice. I agree with that.

At the attorneys general meeting held in Halifax on October 23 and 24, I suggested to the attorneys general and got their consent and approval to the appointment of a committee to examine things such as the prosecutorial responsibility of government. This committee is now at work determining which level of government should be prosecuting which crimes, with the objective of determining which is the most effective rationale and effective distribution of prosecutorial responsibility in this country. I just want to read this into the record:

> That the committee be further instructed to report upon the feasibility of specific actions that might be taken, in the form of administrative and other arrangements, for the more efficient utilization of available court facilities and prosecutorial personnel by both provincial and federal authorities in areas of prosecutorial responsibility that are of concern to both authorities.

That is a beginning in the way of dealing with the question that the hon. member for Grenville-Carleton (Mr. Baker) raised about the delay in the administration of justice. The object of that committee's work and my work is to ensure that where there are criminals and criminal activity, the matter is investigated, put before a prosecutor, put before a magistrate or judge and dealt with as quickly as possible.

Across this country there are very long case loads. There are long delays between an investigation and a conviction. That is bad for the administration of the criminal law. It is demoralizing to the police officer who, often at considerable danger to himself, especially one working as an undercover agent on a narcotics offence, often at great expense to the taxpayer, and after a long and most thorough investigation, to have to wait six or nine months or maybe a year and a half before the case comes to trial and there is a conviction. That is bad for the morale of the police of this country. It is bad in terms of the criminal community. They think they can take advantage of this system of delays that are occurring in the administration of justice. They feel that because the law takes so long to work, they have a certain immunity. It is also bad from the point of view of the community which asks, I think legitimately, whether in fact the laws of this country are being enforced. Those are three things to which we should address ourselves.

Other members touched upon the Law Reform Commission and its work. I simply want to put it in the context of this bill. The Law Reform Commission has done, and is doing, an immense amount of work in the area of criminal law reform. Over the next three of four years we are going

to see in this House and in this country a great number of measures to implement some of the proposals of the Law Reform Commission.

The Law Reform Commission has issued working papers on the meaning of guilt, principles of sentencing and disposition, discovery, restitution and compensation, fines, diversion, limits of the criminal law, obscenity, imprisonment and release, the criminal process and mental disorder. Some time in the near future we will have other working papers. At the beginning of the year we will have final reports from the commission on a code of criminal evidence, sentencing, pre-trial procedure, mental disorder and change in the substantive criminal law.

I am concerned, as are other members, that this work of the Law Reform Commission and the money, knowledge and opportunity that has gone into it do not just sit on a shelf somewhere. Already within the department I am gearing up people to take those reports, analyse them and make recommendations. I have persuaded the provincial attorneys general to appoint, with me, a co-ordinator so that there is co-ordination between the federal government and the ten provincial governments with regard to the work of the Law Reform Commission and the implementation of their reports. However, as has been emphasized by many members, law reform is not solely a question of changing the law in this House or some provincial House.

● (1830)

As the commission has pointed out, and as many members have pointed out, we must change our attitudes, our procedures, our whole technique involving the administration of justice in this country. The work of the Law Reform Commission is important and it is for that reason I recently appointed Mr. Justice Lemaire, who has been vice-chairman of the commission, as chairman upon retirement of the present chairman. Thus, not only will the commission continue to have the advantage of Mr. Lemaire's capabilities but there will be continuity in the work the commission has been doing. I want to tie Bill C-71 into the further amendments which will be brought in through the Criminal Code and with the work of the Law Reform Commission which is very much before me and before the officials in my department.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Turner (London East)): Pursuant to the order made on Wednesday, November 5, it being 6.30 p.m. this House stands adjourned until tomorrow at 2 p.m.

At 6.35 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Thursday, November 20, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

PROPOSED METHOD OF DELIVERY OF LETTERS TO SANTA CLAUS IN VIEW OF STRIKE OF EMPLOYEES—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a motion under Standing Order 43 of urgent and pressing necessity. Because Christmas is but a month away and this is the time of year when the children of Canada traditionally write their letters to Santa Claus, and because this is the first Christmas season in the history of Canada that the Post Office is on strike, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. O'Sullivan):

That this House advise the children of Canada to write their letters to Santa Claus anyway and give them to their parents for transmission to their local member of parliament, who will give these letters to the Postmaster General for personal delivery to Santa Claus.

Mr. Speaker: It is certainly very difficult to set this aside as being unimportant or failing to have urgency in view of the approaching deadline. The standing order requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

OLYMPIC GAMES

FEDERAL PARTICIPATION IN FINANCING OF GAMES—MOTION UNDER S.O. 43

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

In view of the enormous deficit the Montreal Olympic Games are expected to incur, the fact that the Federal State of Germany assumed 48.6 per cent of the cost of the Munich Games, while the Federal State of Austria assumed 50 per cent of the Innsbruck Games, the fact that the Montreal Games may be in jeopardy, and bearing in mind that to date the federal government participation has entailed no real financial participation, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That a quadripartite meeting be held by the federal government, the Quebec government, the City of Montreal and COJO with a view to finding an adequate solution to the problem.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

NORTHERN AFFAIRS

REQUEST FOR DISALLOWANCE OF PROPOSED RATE INCREASE BY NORTHERN CANADA POWER COMMISSION—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Thank you, Mr. Speaker. I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In light of recent indications that the Northern Canada Power Commission intends in the near future to raise its rates for electricity to residents of Yellowknife, and in light of the already unbearably high cost of living in the Northwest Territories, which is the highest in Canada, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instruct the government to disallow, for the duration of the government's anti-inflation program, any increases in electricity rates by the NCPC to consumers north of the 60th parallel.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONFLICT OF INTEREST

REASON FOR FAILURE TO DISCLOSE BUSINESS DEALINGS OF WILLIAM TERON WITH GOVERNMENT—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter arising from an Order Paper question No. 3,359 which asked for details of government business dealings and the expenditure of public funds since April 20, 1968 with William Teron Associates, William Teron Ltd., William Teron personally

and any company with which he had a connection, and I would move, seconded by the hon. member for Portage (Mr. Masniuk):

That the Prime Minister make a statement to the House giving all reasons why the business dealings with the government, along with the amount of public funds involved, on the part of William Teron and companies in which he had an interest have been withheld from parliament; specifically, whether or not there are justifiable reasons for the government to withhold such information from parliament and, finally, whether or not the government is failing to divulge such information if it exists for purposes of self-protection or self-preservation.

Mr. Speaker: It is apparent that there is no urgency involved in that motion, nor is there any attempt by the hon. member to put an element of urgency in it.

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HUMAN RIGHTS

SUGGESTED AFFIRMATION OF BELIEF IN FREEDOM OF SPEECH—MOTION UNDER S.O. 43

Mr. Ralph Stewart (Cochrane): Mr. Speaker, inasmuch as the preventing of anyone from expressing his views is a rather dangerous condition in any democracy, and in view of the flagrant disregard for free speech in Toronto last night when Mr. Al-Hout was prevented from giving his point of view, I propose the following motion under Standing Order 43:

This House affirms its belief in freedom of speech as an essential ingredient of a democracy or free country, and that such freedom extends even to those with whom some might disagree.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. As praiseworthy as that motion may be, if the Chair is to maintain any consistency from the point of preventing a general consideration of subjects in that motions must have an element of urgency involved, I would unfortunately have to reject that as a proper matter for a motion under Standing Order 43.

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[*Translation*]

AGRICULTURE

SUGGESTION CONTROL OF CHEESE IMPORTS BE GIVEN TO AGRICULTURE RATHER THAN TRADE AND COMMERCE—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to present a motion on a matter of urgent and pressing necessity.

In view of the serious overproduction of industrial milk in Canada now, which is liable to jeopardize producers who already face enormous problems, and considering that the quantity of imported cheese amounts to 50 million pounds a year in apparent contradiction with agreements made with producers in the general context of a general contingency plan, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the House study this problem to bring immediate corrections to it and notably to have the responsibility for cheese imports-exports transferred from the Department of Industry, Trade and Commerce to the Department of Agriculture, as should have been done long since to avoid the problems we experience.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—WILLINGNESS OF UNION TO RESUME NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Postmaster General who said yesterday in the House.

—I thought it was time to suspend negotiations until they came to their senses and understood there is only so much money. I am prepared to go back to the negotiating table and re-arrange some of those monetary issues.

I ask the minister whether the union has indicated that it is prepared to resume negotiations within the framework of the guidelines contained in the government's wage control program, and whether the Postmaster General can indicate that serious negotiations are to resume today or within a defined period of time?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I have not been directly contacted by the union representatives to indicate to me they are prepared to resume negotiations. What I said was I was prepared to sit down with the union. I simply made it very clear that I wanted to be sure if we resume negotiations they could lead to a collective agreement. I also made it clear that we would have to remain within the monetary package but that there was some flexibility within that package in altering rates here and there that we were prepared to consider, and I presume we have now moved into a period of reflection on the part of certain parties. I cannot say with any certainty or honesty that negotiations will resume today, tomorrow or Saturday.

Mr. Stanfield: Mr. Speaker, has the Postmaster General any reason to believe that the union is now prepared to resume negotiations either today, tomorrow or Saturday within the government's wage control guidelines?

Mr. Mackasey: Mr. Speaker, I would presume that anybody in the union would now understand that if they expect to go beyond the monetary package that was offered there just is no way. On that presumption maybe they will be ready to start negotiations Sunday, Monday or

Tuesday. There has been no direct communication from the union as to whether the negotiations will resume.

Mr. Stanfield: Mr. Speaker, in other words the Postmaster General has not taken any initiative himself to ascertain whether or not the executive of the union would enter negotiations within the framework of the government's present wage control guidelines.

Mr. Mackasey: Well, Mr. Speaker, rarely do I and the hon. gentleman disagree. I think with his experience he would understand that every time I answer these questions it could unintentionally jeopardize the possibilities. I am not about to say exactly what is transpiring at the moment.

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. Yesterday in the House the Prime Minister said:

> At some point in every strike which adversely affects the public interest, parliament as a whole may be called upon to endorse the government's position, if the government wants to put the question before parliament, and perhaps legislation to bring the workers back to work.

My question to the Acting Prime Minister is: Could he indicate to the House what conclusion the cabinet reached in its considerations this morning?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we did not arrive at a conclusion to place legislation before parliament ordering the men to go back to work.

Mr. Clarke (Vancouver Quadra): Mr. Speaker, may I ask the Acting Prime Minister whether the government's first objective is to let this strike last as long as it takes to break the executive of the union and, if so, would the Acting Prime Minister tell the House why the government believes the "high noon" mentality of the Postmaster General and a long, bitter strike will produce moderate union leadership and intelligent industrial relations?

Mr. Sharp: Mr. Speaker, I think I speak for most Canadians when I say I believe the Postmaster General is doing an excellent job in dealing with this strike. It is not our objective to break any union leaders. This government has a high regard for the trade union movement. We want the negotiations to continue and be completed within the framework of the guidelines.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR CLARIFICATION OF STATEMENTS BY MR. BIDDELL, MEMBER OF ANTI-INFLATION BOARD

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I certainly would not want to jeopardize the fine work the minister thinks he is doing in the postal discussions, so I will ask my question of the Minister of Finance concerning Bill C-73. Mr. J. L. Biddell, newest member of the Anti-Inflation Board said two days ago in Toronto that business "can expect to live with them", that is the regulations, "for only a short time", and furthermore, he, Mr. Biddell, member of the Board, foresaw "an early need for adjustment". I should like to ask the minister, in light of the statement by Mr. Biddell whether he was speaking for the government when he said this? Does this mean that either the regulations, which we do not have yet and which we might get early in December, are going to be changed soon or that the termination date of the act as it will be announced shortly will be changed by the government?

● (1420)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think it is evident that we have succeeded in appointing to the commission a number of independent-minded Canadians who will do their very best to make certain that this program works.

Mr. Broadbent: Or doesn't.

Mr. Macdonald (Rosedale): I would say that on the question of adjustments, as the hon. member knows, there have already been amendments proposed by the government as a result of representations received from members in the House and other interests in the community. We would anticipate that when the bill receives royal assent and the regulations are promulgated, they too will have to be amended from time to time. We recognize above all that the bill has to apply itself to a very complex economy and that it will have to be adjusted from time to time to make certain that justice is done under the guidelines.

ANTI-INFLATION PROGRAM—METHOD OF SECURING COMPLIANCE WITH REGULATIONS WHICH MAY BE CHANGED IN THE FUTURE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, if the government has not yet announced its regulations, and the minister is saying that those unannounced regulations are going to be changed in the future, how can the government expect, either from the corporate sector or from the trade union movement, to get compliance, get their agreement to co-operate and implement such regulations in advance of the very publication of the regulations with which they are asked to agree?

Hon. Donald S. Macdonald (Minister of Finance): I am sure that if we proceeded otherwise, by setting them out and saying that that is it, there would be no changes, the hon. member would be the first one to say that we should have consulted the provinces, the unions and industry. You cannot have it both ways.

Some hon. Members: Hear, hear!

ANTI-INFLATION PROGRAM—SUGGESTION NEGOTIATED WAGE SETTLEMENTS BE ALLOWED TO EXCEED GUIDELINES PENDING DECISION BY BOARD

Mr. Edward Broadbent (Oshawa-Whitby): I have a final question, Mr. Speaker, and it is a little complicated. I would ask with respect that the minister hear it out

because it is put to elicit information and not to make a point.

Some hon. Members: Oh, oh!

Mr. Broadbent: Considering that at present companies negotiating with unions on strike, in circumstances in which both agree that although their situation comes within the provisions of Bill C-73 they are not restricted by the 10 per cent increase provision, are offering to pay workers only the 10 per cent now and insist that before any additional amount is paid a ruling must be made by the Anti-Inflation Board; since this puts the whole burden of an early settlement on the workers who are now on strike, can the minister assure the House that when the regulations are brought down early in December, if not before, that situation will be changed so that companies will be permitted, and indeed instructed, to pay to the workers in advance of a strike settlement amounts to which both sides agree they would be entitled, and then if a board decision is made to the contrary, the money could be reclaimed?

Mr. Speaker: Order, please.

An hon. Member: Why don't you repeat the question?

Mr. Speaker: With all due respect I should point out that the bill is before the committee and therefore that kind of question here is surely out of order.

Mr. Broadbent: On a point of order, Mr. Speaker—

Some hon. Members: Oh, oh!

An hon. Member: Sit down, Ed.

An hon. Member: There is a 40 minute time limit on your question, Ed.

Mr. Speaker: The hon. member for Richmond.

* * *

[*Translation*]

OLYMPIC GAMES

FEDERAL PARTICIPATION IN FINANCING OF GAMES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to put a question to the Acting Prime Minister.

We are now in a position where we can more accurately assess the enormous cost of the Olympic Games and their deficit. Furthermore, we know the tremendous odds against which we are fighting to complete the program on time, make it a success and avoid waste.

Can the Acting Prime Minister tell the House whether or not the government is reconsidering its former position on this matter, in view of the fact that Canada's reputation is at stake and we do not want the Olympics to become for Montreal what New York City has turned out to be for the United States?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government has been of substantial assistance with regard to the Olympic games, first by providing certain federal services which are essential for security and for other aspects of the games. Through legislation we have also made it possible for very large sums of money to be raised by the sale of coins and stamps. If the hon. gentleman thinks we should go beyond that, we have not made a decision along those lines. Indeed, we stand by the position stated by the Prime Minister on many occasions that we will not be responsible for any part of the deficit of the games.

[*Translation*]

Mr. Beaudoin: I would like to ask a supplementary question.

Considering the Acting Prime Minister's answer, I wonder if he could tell the House whether or not the cabinet intends to deal with this most important question of a huge deficit and try to find positive solutions to help the province of Quebec concerning this situation which is most alarming for the people of that province, especially the city of Montréal?

[*English*]

Mr. Sharp: As I said, we have acted in many positive fashions. If the hon. gentleman is asking whether we have made any decision to change the policy, the answer is no, but within the policy we have been of very substantial assistance to Montreal and to the success of the games.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF GUIDELINES TO MARKETING BOARDS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Acting Prime Minister. Notwithstanding assurances given in the House on October 17 by the Prime Minister, the House was informed through the Finance Committee yesterday and today that the legislation now before the committee will, in fact, not permit the enforcement of the guidelines on marketing boards, either federal or provincial.

Has the cabinet made a policy decision with respect to enforcing the guidelines on marketing boards, and if so, has or will a directive be issued to the Farm Products Marketing Council directing that council to enforce the guidelines on marketing boards, specifically the Turkey Marketing Board and the Canadian Egg Marketing Agency, which are under its jurisdiction.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I listened to the vice-chairman of the board speaking on radio this morning. She said there were some difficulties about this. We have always understood that there would be some difficulties and uncertainties as to how far the jurisdiction of the Anti-Inflation Board might extend. It certainly does not extend beyond the farm gate, but there are some difficulties even if that principle is accepted. I suggest to the hon. member that if he has any particular proposals to make by way of amendment and so on, these can be made in the committee and subsequently dealt with in the House.

ANTI-INFLATION PROGRAM—SUGGESTION CANADIAN EGG MARKETING AGENCY JUSTIFY PRICE INCREASE IN VIEW OF REDUCED FEED COSTS

Mr. James A. McGrath (St. John's East): I was hoping to receive some direction as to the policy of the government with respect to the marketing boards which are not covered by the legislation. Accordingly, I should like to direct my supplementary question to the Minister of Consumer and Corporate Affairs, who now has an opportunity, in the absence of the Minister of Agriculture, to assert great leadership on behalf of Canadian consumers. Has the Minister of Consumer and Corporate Affairs been in touch with the Canadian Egg Marketing Agency with respect to a directive from the Anti-Inflation Board to justify the recent increase in the price of eggs, in light of the fact that feed grain prices have gone down?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, my relationship with the Minister of Agriculture is excellent and I would not like to intervene in an area that belongs to him. On the other hand, I am sure that he has already been clearly advised to protect the consumer's interest and to make sure that his marketing boards work in the interest of both producers and the general public.

* * *

● (1430)

[*English*]

INFORMATION

POSSIBILITY OF ACTION TO PROVIDE EASIER ACCESS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister. I had hoped to put it to the Prime Minister whose approval of the British parliamentary practice is well known, especially since the trouble with the French connection! I should like to ask the Acting Prime Minister if he has been made aware of the fact that the British government, in the Speech from the Throne yesterday, indicated that it intends to very substantially moderate the Official Secrets Act and provide an easier method of access to information? Also, is the Canadian government contemplating a similar approach so as not to be the only parliamentary democracy remaining in the medieval ages by not having access to information?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. member for Peace River and I both visited Westminster recently. One of the features of their procedures that did not appeal to us was the question period. During question period here hon. members have an opportunity for an hour to ask questions of the ministry without notice.

An hon. Member: With no answers.

Mr. Sharp: The members at Westminster envy us for that, so I say to my hon. friend that we share the same views in that respect. We have looked very carefully at the bill he has put down in this respect. In principle, I think we are on the same side. The government is anxious to provide all the information that can be provided without affecting the security of the state or international dealings or the reputations of individuals. The real difficulty is that no one is quite sure into whose hands the implementation should be placed.

REQUEST FOR TABLING OF DOCUMENTS ON THE BASIS OF WHICH CONTROL PROGRAM INTRODUCED

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I resist the urge to respond to some of the things the minister has said. As a test of his good faith, and the government's good faith, will the Acting Prime Minister consider tabling in this House all the documents of a statistical and factual nature which persuaded the Prime Minister and the government in the early days of October to make an 180 degree turn in direction with regard to the imposition of controls?

* * *

POST OFFICE

STRIKE OF INSIDE WORKERS—POSSIBILITY ORDERING VOTE ON GOVERNMENT OFFER MIGHT BE DENYING WORKERS RIGHT TO STRIKE

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question to the Postmaster General is based on a reply given yesterday in the House by the right hon. Prime Minister. Is it the government's position that by ordering a government supervised vote of the striking postal workers to see if they wish to accept the government's terms and return to work, that the government would in effect be denying these workers the right to strike?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, in a press release yesterday the Canadian Labour Congress expressed the opinion of organized labour that in the postal dispute we should not legislate the men back to work, since they are our employees and, second, that we do not interfere in the operation of the union by asking for a secret ballot. This is not my wish; it is the desire of the Canadian Labour Congress as announced in their press release yesterday. They further suggested that we keep on negotiating. I am fully in accord with the views of the Canadian Labour Congress.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—RULING OF BOARD SOUGHT BY TORONTO SCHOOL BOARD TO AID IN SETTLING TEACHERS' STRIKE

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, a question for the Minister of Consumer and Corporate Affairs. Did a delegation of the Toronto Metropolitan School Board meet this morning with officials of the Anti-Inflation Board to seek a ruling to assist in resolving the strike which is depriving several hundreds of thousands of young people of educational services in Toronto? If so, can the minister report on this meeting?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I take good note of the question and I will answer the hon. member tomorrow.

* * *

[*English*]

HOUSING

POSSIBLE IMPOSITION OF RENT CONTROL ON COMMERCIAL BUILDINGS—GOVERNMENT POSITION

Mr. John Gilbert (Broadview): May I put a question to the Minister of State for Urban Affairs? In view of the fact that the minister requested the provinces to institute residential rent controls, and in view of the obvious attractiveness of industrial and commercial office space as an investment for developers as evidenced by the continued boom in that form of construction, has the minister or his officials discussed with the provinces the advisability of instituting rent controls on commercial and industrial uses so that investment funds will not flow out of residential construction into uncontrolled uses?

Hon. Barney Danson (Minister of State for Urban Affairs): First of all, Mr. Speaker, because of the direction the lenders will be taking there will also be a boom in housing construction. It has already started. This question was raised when I met with the provincial housing ministers at our last meeting. It was not one on which we gave direction, however. Our concern was in housing itself and rental accommodation for families. This is within provincial jurisdiction and the provinces will be handling that end of things. The question of commercial space was raised, but no agreement was reached. It really does not come within my jurisdiction.

SUGGESTION PENSION FUNDS BE GIVEN LENDER STATUS UNDER NATIONAL HOUSING ACT

Mr. John Gilbert (Broadview): A supplementary question. In view of the reluctance of the minister to bring forth legislation to compel lending institutions to set aside a portion of funds for residential housing, and in view of the fact that pension funds want to participate in lending, would the minister consider offering pension funds approved lender status under the National Housing Act?

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker. If the pension funds are interested in the mortgage investment field, we would like to encourage them. They are much more encouraged now by the establishment of the Federal Mortgage Exchange Corporation which will be in operation on April 1. They also have the opportunity through the Mortgage Investment Corporation which I have been encouraging. If they would lend their money at 5 per cent we could have 7 per cent mortgages.

[Mr. Stanbury.]

ENERGY

SUGGESTION UNITED STATES WILL NOT RATIFY PIPELINE TREATY UNTIL NORTHERN GAS PIPELINE ASSURED

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources if the United States government had indicated to the Canadian government that they will not ratify the pipeline treaty until they are sure that a joint Canada-United States natural gas pipeline through northern Canada is assured, and that only then will the federal government be able to negotiate with the provinces the basis of a transit tax on gas?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the answer to the first part of the question is, not to my knowledge.

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FISHERIES

REASON FOR MAKING BILATERAL AGREEMENTS RATHER THAN DECLARING 200 MILE FISHING ZONE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, a question for the Minister of State for Fisheries. In view of the fact that the minister is showing an obvious trend to enter into bilateral agreements with an increased number of nations, rightfully to protect Canada's fish resources until multinational agreements are reached, would the minister rationalize the need for bilateral agreements which can extend for many months beyond the Law of the Sea Conference, with the more simple, clearcut unilateral declaration of the 200 mile limit fisheries zone until the next Law of the Sea Conference?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, if the hon. member looks at the case of Iceland, which declared unilaterally and it is now trying, in a climate of bitterness, to negotiate some bilateral agreements, I think he would find confirmation of the wisdom of the course we have taken. In the legislation now before the United States Congress, there is provision for bilateral negotiations with those countries which traditionally fished off the United States shores. What we are doing is negotiating in order to be ready to extend jurisdiction by whatever method it is adopted.

INQUIRY WHETHER AGREEMENT WITH NORWAY LIMITED TO FISHERIES

Hon. Roméo LeBlanc (Minister of State (Fisheries)): While I am on my feet, Mr. Speaker, if you would permit me, I would say to the hon. member for Esquimalt-Saanich in answer to his question of yesterday, that the agreement with Norway is for fisheries only.

REQUEST FOR STATEMENT CLARIFYING CANADA'S POSITION BEFORE NEXT LAW OF THE SEA CONFERENCE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question. In view of the fact that since the Law of the Sea Conference the minister and the Secretary

of State for External Affairs have been expressing optimism over the result in direct conflict with the opinion of some impartial experts who attended the conference who said with regard to committee Nó. 2 that the results were disastrous and that as a result of the Law of the Sea Conference the situation is more complicated now, would the minister make a statement on motions as soon as possible to clarify Canada's position before the next conference?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, we might quibble on the assessment of the results of the conference; certainly, in the area of fisheries the unified text which has come forward is one which protects most of our interests. I would not have the pretention to make a statement on motions; I would leave that in the able hands of my colleague, the Secretary of State for External Affairs.

[*Translation*]

EXTENT OF JURISDICTION GRANTED BY AGREEMENT WITH NORWAY

Mr. Donald W. Munro (Esquimalt-Saanich): I wish to put a question to the Minister of State (Fisheries).

First I would like to thank him for his answer to my question yesterday. My question today is the following: Is that agreement with Norway supposed to guarantee Canadian jurisdiction over our fisheries in continental waters up to 200 miles or up to the limits of the continental shelf?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I will disappoint the hon. member. I will have to check, I do not have the text of the agreement before me.

* * *

● (1440)

[*English*]

EXTERNAL AFFAIRS

RUSSIA—DENIAL OF FREEDOM OF MOVEMENT OF INDIVIDUALS—GOVERNMENT POSITION

Mr. D. M. Collenette (York East): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the recently signed European security treaty whereby the Soviet Union agreed to honour principles of human liberty, as they apply to Soviet nationals, and in view of the Soviet Union's refusal to allow Andraei Sakharov permission to travel to Norway to receive the Nobel Peace Prize, will the minister register Canada's disapproval of the U.S.S.R.'s action in a statement to this House?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, it is true that the signatories to the Helsinki declaration, or whatever you may wish to call the final act, undertook to facilitate the freer movement of peoples and ideas. There is also, in the same declaration, a provision for the exercise of the sovereign rights of individual persons and states. In this case, obviously, it is our view that there ought to be wider and greater exchanges of people, and greater freedom of movement; and it will be possible, when the review conference is held in Belgrade, in 1977, to ask all participants to account for their adherence to the Helsinki act or declaration.

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[*Translation*]

COMMUNICATIONS

REQUEST FOR REPORT ON DISCUSSIONS WITH QUEBEC CONCERNING CABLEVISION

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, in the absence of the Minister of Communications, I want to put my question to the Minister of Transport in charge of Communications.

In view of the appointment of a new minister responsible for communications at the time of the last cabinet reshuffle of the Bourassa government and in view of the religious silence kept by the federal government since the resignation of Mr. Juneau who was looking after cablevision, can the minister responsible say to the House whether he met with his Quebec counterpart? If not, does he intend to do so?

In any case, can he tell the House where the negotiations between the two governments stand on this subject?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, meetings have not been held at this point.

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POST OFFICE

STRIKE OF INSIDE WORKERS—REQUEST FOR ESTIMATE OF COST TO STRIKERS AND PUBLIC

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is directed to the Acting Prime Minister. It is alleged that inside workers of the post office are losing about $800,000 a day, carriers, $700,000 a day, and, indeed, all Canadians are losing financially from the post office strike. Has the government taken this into consideration? Has it any idea how large this financial loss is? If not, will the minister undertake to speak on motions tomorrow, to give some idea what the strike is costing those directly affected and the rest of the people of Canada?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think we need to argue the figures. The costs are serious.

STRIKE OF INSIDE WORKERS—CRITERIA USED IN DECIDING WHEN TO END STRIKE

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. I am pleased to hear the Acting Prime Minister's answer, as the Prime Minister has indicated several times that, when and if legislation is to be introduced to end the strike is a matter for judgment. Considering the Acting Prime Minister's answer, will he

tell the House the criteria the government is using, to determine whether and if it should act in order to halt this strike. I think the Canadian people should be aware of the answer to that question.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the Prime Minister said, this is a question of judgment. The judgment must be guided by many considerations, by regard for the principle of collective bargaining and not wanting to interfere with it, the principle of support for the guidelines, which I think is in the interest of all Canadians, including the members of trade unions and the postmen themselves. Serious costs would be incurred if this government were to weaken in its defence of the guidelines. I think some costs would also need to be taken into account if we were to override the ordinary principles of collective bargaining and order the men back by parliamentary action.

Mr. Alexander: The minister missed the purport of my question.

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EXTERNAL AFFAIRS

SUGGESTED WITHDRAWAL OF AID TO CUBA UNTIL THAT COUNTRY WITHDRAWS ITS TROOPS FROM ANGOLA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the minister's statement on Angola on November 13, to the effect that the political and security situations there are extremely confused—those are his words—and that we are not at present in a position to recognize or enter into relations with any group which may claim to govern the country, will the minister undertake to withdraw financial aid to Cuba, as provided through CIDA, until such time as the government in Cuba withdraws its 2,500 Communist troops from Angola.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I must say that the answer is no.

Mr. Lambert (Edmonton West): Why not?

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NORTHERN AFFAIRS

PROPOSED RATE INCREASE BY NORTHERN CANADA POWER—REQUEST THAT INCREASE BE APPROVED BY ANTI-INFLATION BOARD

Mr. Wally Firth (Northwest Territories): Mr. Speaker, may I direct my question to the Minister of Indian Affairs and Northern Development. It is about inflation. The government has indicated that controlling inflation is of high priority. The Northern Canada Power Commission having given notice that it will soon raise the wholesale price of electricity 113 per cent, even though living costs in my constituency are higher than in any other part of the country, will the minister take action to ensure that this increase is investigated and approved by the Anti-Inflation Board, before it comes into effect?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not sure the hon. member's figures are correct. I saw the figure of 40 per cent and expressed horror. I asked that any change in price be cleared with me. I am still waiting for information on this.

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POST OFFICE

STRIKE OF INSIDE WORKERS—SUGGESTION BUSINESSMEN BE COMPENSATED FOR LOSS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Postmaster General. Considering the answer the President of the Privy Council gave the hon. member for Hamilton West regarding the length of the postal strike, will the minister advise if he has consulted with his colleagues and is prepared to recommend the setting up of a special fund, in conjunction with the CLC, to compensate the thousands of small businessmen who have lost millions of dollars which they will never recover. How long must they wait?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker.

Mr. Lambert (Edmonton West): Come on, answer.

Mr. Speaker: Order, please. The hon. member for Parry Sound-Muskoka.

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LABOUR CONDITIONS

PROPOSED ELIMINATION OF RIGHT TO STRIKE IN ESSENTIAL SERVICES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of Labour and relates to the post office strike. I am wondering if, in an effort to assist his friend the Postmaster General to end the post office shutdown, the minister will now give serious consideration to introducing legislation which would bar strikes in all essential services?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the hon. member asked about assistance for the Postmaster General. He ought to be advised that he has the entire backing of the government and the Liberal party in his effort to resolve this particular dispute.

Mr. Lambert (Edmonton West): But he is doing it on the backs of Canadians.

Mr. Munro (Hamilton East): We think he is doing the best possible job to that end.

Mr. Lambert (Edmonton West): Yes, and somebody else has to pay.

Mr. Munro (Hamilton East): It is certainly not clear to me, or the government, that premature action to end the strike—

Mr. Lambert (Edmonton West): Premature action!

Mr. Munro (Hamilton East): —will, in the long term, benefit Canadian businessmen in the way the hon. member alleges.

Mr. Lambert (Edmonton West): My God! You are out of your skull!

* * *

CANADIAN BROADCASTING CORPORATION

RELATIONSHIP OF PROPOSED COVERAGE FOR NORTHERN NEW BRUNSWICK TO DELAY CABLEVISION APPLICATION OF RESIDENTS OF DALHOUSIE

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is directed to the Minister of State, and concerns the terrible television and radio coverage in northern New Brunswick. Can he tell the House the status of the proposal for 100 per cent CBC television and broadcasting coverage for northern New Brunswick? Specifically, how does the proposal relate to the holdback of the application of the residents of Dalhousie regarding cablevision?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will be pleased to give the hon. member that information.

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● (1450)

CONSUMER AFFAIRS

ALLEGED MISAPPLICATION OF INTEREST ON CHARGEX ACCOUNTS BY BANKS—GOVERNMENT ACTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Is the minister aware of an article in last Saturday's London *Free Press* which reported a professor from the faculty of law at the University of Western Ontario as saying that banks which issue Chargex cards are charging interest on the unpaid balance of accounts run up during the postal strike where no statement has been sent out, despite the fact that the cardholder agreement specifically states that interest becomes payable only 25 days after the statement has been sent to the cardholder? If so, has the minister looked into this matter and can he tell the House whether the interest is being charged and collected illegally?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, I am aware of this. Officials of my department are already looking into this and if it is necessary prosecutions will be undertaken.

NATIONAL REVENUE

ALLEGED RESTRICTION ON OPERATIONS OF FIELD AUDIT OFFICERS—GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of National Revenue. Is he aware of regulations issued by his department to regional offices relating to budget restrictions, and, if so, would he explain how these regulations, which restrict field audit officers to a radius of ten miles of regional centres are likely to affect the functioning of the offices throughout the country?

Hon. Jack Cullen (Minister of National Revenue): I am always pleased to hear that my officials are aware of the need to show restraint at this time. As to the special circumstances referred to by the hon. member, I will have to look into that aspect.

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ENVIRONMENTAL AFFAIRS

DATE OF SIGNING AGREEMENT WITH OKANAGAN WATER BOARD

Mr. Howard Johnston (Okanagan Kootenay): My question is to the Minister of the Environment. I ask it because I will be leaving shortly for the Okanagan Valley and I should like to be the bearer of good news. Is the hon. lady in a position to say whether an agreement has been signed with the provincial government to permit the implementation of an extremely urgent program to enable the Okanagan Water Board to launch an attack on long range problems concerning the lakes of that valley?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, that agreement has not yet been signed. We are now in the final phase of the preparations, and I am confident we can sign that agreement in the near future.

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[*English*]

FISHERIES

SEALS—SUGGESTED ACTION TO END HUNT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, may I direct a question to the Minister of Fisheries? In 1972 the interim report of the committee on seals and sealing recommended the phase-out of the Canadian and Norwegian Atlantic seal hunt by 1974 to be followed by a minimum six-year moratorium on hunting. This recommendation was never implemented. Would the minister now take a good look at these recommendations and make every effort to bring this brutal and unnecessary slaughter to an end?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): I have before me now the report of the advisory committee on seals headed by Professor Keith Ronald, a man of great scientific reputation. An assessment of the stocks shows that the stocks are somewhat lower than desirable. We are

checking and rechecking this information. A judgment will be made strictly in terms of conservation and for no other reason.

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ADMINISTRATION OF JUSTICE

ACTION CONTESTING CONSTITUTIONALITY OF QUEBEC'S BILL 22—POSSIBLE FEDERAL INTERVENTION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I have a question for the Minister of Justice arising from the court action taken by the Protestant School Board of Greater Montreal contesting the constitutionality of Bill 22. Is it the intention of the government to intervene in this action and would any such intervention be in accord with past statements of the Prime Minister on this subject?

Hon. Ron Basford (Minister of Justice): The Attorney General of Canada has been named as mis-en-cause or third party in the proceedings undertaken in the Superior Court of Quebec. It is my intention to file an appearance in those actions, as is the standard procedure in such matters, but to take no further action at this time.

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VETERANS AFFAIRS

DATE OF DECISION ON BILL TO IMPLEMENT RECOMMENDATIONS OF COMMITTEE ON WAR PRISONERS AND WIDOWS' PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs? In view of the fact that the President of the Privy Council has assured me on four or five Thursdays in a row that a certain matter is under consideration, can the minister tell us whether a favourable decision has been reached with respect to it? I refer to the bill to implement the recommendations of the Standing Committee on Veterans Affairs concerning Canadian veterans who were prisoners of war and concerning the provision of pensions to veterans' widows?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): I can confirm the statement made by the House leader but that is as far as I can go today.

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[*Translation*]

INDUSTRY

FOOTWEAR—REQUEST FOR PROBING OF IMPORTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

In December 1973, the Minister of Industry, Trade and Commerce set up a sector strategy for the footwear and tanning industries experiencing some difficulties in Canada. Canadian production was then increasing, but it is now much lower and shoes from countries where production costs are very low continue to flood the Canadian market. Can the minister tell the House whether he has studied the paper prepared by the Canadian Committee on Trade and Customs Tariffs or can he report on those conditions which could take considerable and disastrous proportions?

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): I have been made aware of these submissions and have had some opportunity to look at them. I would remind the hon. member that the strategy with regard to the shoe industry and related industries is still only a matter of 18 months old and it is our judgment that no special or additional action is needed at the present time—the measures should be given a chance to prove themselves. In the meantime, we shall continue to examine the health of the industry on a regular basis and determine whether any additional steps may be needed in the future.

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EXTERNAL AFFAIRS

GOVERNMENT POSITION ON UNITED NATIONS RESOLUTION REQUESTING CO-OPERATION WITH COMMISSION ON HUMAN RIGHTS

Mr. Peter P. Masniuk (Portage): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. On November 12, the United States presented a resolution in the United Nations Assembly appealing to all governments to proclaim an unconditional amnesty by releasing all political prisoners who have sought equal expression of beliefs and opinions at variance with those held by their governments and requesting all governments to co-operate with the Commission on Human Rights. Is it the intention of the Canadian government to participate in the debate in the General Assembly and to support this resolution?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The Canadian delegation has been holding meetings with other like-minded delegations on this American-sponsored resolution and, as I recollect the situation, Canada will be supporting the resolution. I presume we are speaking about the same resolution.

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LABOUR CONDITIONS

PROPOSAL TO LEGISLATE END TO STRIKE OF POSTAL WORKERS—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have refrained from asking any questions concerning the postal strike but in common with Canadians as a whole my patience is exhausted.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: My question is addressed to the Minister of Labour. The Postmaster General having stated that he can live with this strike if it continues until Easter, does

this not mean there is little or no possibility of any settlement taking place, and, in these circumstances, is it not time for the government to get rid of its gutlessness and bring in legislation to provide for the end of the strike, a return to work, and the payment to workers of the amount the government is prepared to make available within the limits of the guidelines so that labour and the department can continue negotiations without Canada being held up to ransom the way it is at the present time?

Hon. John C. Munro (Minister of Labour): I thought the right hon. member was one of those who would not use parliament to arbitrarily deny the rights of workers by legislation unless there was assurance there would not be any long term damaging effects in terms of the free collective bargaining system. If we are to come to parliament every time there is a dislocation resulting from a strike, this parliament would become nothing but a labour court. As far as Easter is concerned, the hon. gentleman may have noticed that the Postmaster General said within the last day or so that the parties may very well be coming back to the bargaining table. It seems to me that this is the best assurance of a final settlement of this dispute.

● (1500)

Mr. Diefenbaker: A supplementary question, Mr. Speaker. That unctuous declaration does not answer the question. At what time is Canada, and the people as a whole, going to be able to end this hold-up which is doing so much harm to all parts of our country and playing havoc particularly with small business?

Mr. Speaker: Order, please. I would resist the right to respond to that question which has a large hypothetical element in it.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, may I ask the government House leader, in light of the fact that we know what the business will be for today and for tomorrow, what the business will be for next week?

Mr. Sharp: Mr. Speaker, as the House is aware, today is an opposition day. Tomorrow we will call Bill C-61. When that is disposed of, whether on Friday or on Monday, we will proceed to the consideration of Bill C-20.

Mr. Baldwin: Monday is an opposition day.

Mr. Sharp: I am sorry. May I amend what I said, Mr. Speaker; I had forgotten that Monday is also an opposition day. On Tuesday, on the hypothesis, which I think is justified, that Bill C-73 has been reported out of committee, we will call the report stage and third reading of Bill C-73.

Business of the House

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the government House leader two questions with respect to House business? My first one relates to the bill regarding Canadian veterans who were prisoners of war. What can the House do to get the government to act on this matter?

My second question relates to Bill C-208, having to do with Heritage Day. Is the government prepared to let that bill be decided on before Christmas?

Mr. Sharp: Mr. Speaker, the bill dealing with veterans' pensions and related matters is still before cabinet. No final decision has been taken. On the other question, I have had some previous discussions with the House leader of the NDP. The government has not made a final decision whether to allow that particular bill to proceed or to bring in separate legislation. We are not quite sure about the timing, as well as the substance.

Mr. O'Sullivan: Mr. Speaker, I rise on a question of privilege arising out of the comments made by the Postmaster General (Mr. Mackasey) in the House yesterday, to be found at page 9239 of *Hansard*. He said:

> The only regret I have about the arrests in Regina is that one of the two who were arrested is a non-postal employee named O'Sullivan. There is one of that name missing from the House of Commons today.

I wish to raise two points. I would take this time to assure the minister and the House that that O'Sullivan was not this member or, to my knowledge, any member of the family. With regard to the minister's reference to my absence from the House, this was necessitated by my having to be in Hamilton, a city with which the minister is familiar because his gracious mother lives there. As a matter of fact, Mr. Speaker, we both attend the same church and are to be found there regularly, no doubt cancelling out each other's prayers.

Mr. Mackasey: On the same question of privilege, Mr. Speaker, I do not know anyone whose prayers I would respect more and would do me more good. I realized early in the day that it was not the same O'Sullivan, because I was told that the one arraigned was an intellectual and a lecturer at a university.

Mr. Cossitt: Mr. Speaker, I rise on a point of order to refer to a motion under Standing Order 43 that I presented for the consideration of the House a few moments ago asking for a statement from the Prime Minister (Mr. Trudeau) as to why the government would not make public details of business, including expenditures of public funds, given to William Teron or companies with which he has been associated. Your Honour ruled, quite rightly,that I had not indicated that it was a matter of urgent and pressing necessity as required under Standing Order 43. I readily agree that I did not use the specific words "urgent and pressing necessity".

However, I rise now not in any way to improperly question the ruling of the Chair but to respectfully seek clarification and guidance from the Chair as to how the hiding of the expenditure of public funds given by the government to Mr. Teron is not a matter of urgent and pressing necessity when I have, as a member of the House, exhausted every possibility through the order paper of

having this information made public but have been directly refused by the government.

Mr. Speaker: Order. With due respect to the hon. member, if he has any sentiments to express which clarify the urgent and pressing necessity of any motion pursuant to Standing Order 43, the time to do so is on the presentation of the motion, not after the Chair has ruled on it. The Chair can only be guided by the remarks put forward by an hon. member at the time.

Mr. McGrath: Mr. Speaker, I rise on a point of order. Today I directed a question to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) in his capacity as minister in the House who answers for the anti-inflation board. I understand that the Minister of Finance (Mr. Macdonald) answers for the legislation, but once the bill becomes operative and the board is in business the Minister of Consumer and Corporate Affairs answers for the board. The minister ducked my question by suggesting it would be more properly directed to the Minister of Agriculture (Mr. Whelan).

May I make the point that as the board becomes operative and more and more a matter of public concern, and hence a matter of concern to this House, we are entitled to ask questions about its day to day operations: these questions shall be directed to the Minister of Consumer and Corporate Affairs. My question today concerned the revelation made by the board yesterday that it had requested justification by CEMA of its most recent increase in the price of eggs. My question, with respect, was quite properly asking the minister what action he had taken in that regard.

[*Translation*]

Mr. Ouellet: Mr. Speaker, the misunderstanding is not due to the question asked. On the contrary, I am always happy to receive questions from the hon. member, but I noticed he rose to ask a supplementary and was looking for the Acting Minister of Agriculture in the absence of the minister.

I simply stated that he could direct his question to the Minister of Veterans Affairs (Mr. MacDonald), the hon. member for Cardigan, who is Acting Minister of Agriculture.

Therefore, my reply to the hon. member had nothing to do with the Minister of Finance (Mr. Macdonald) but rather with the Minister of Veterans Affairs (Mr. MacDonald) who is Acting Minister of Agriculture.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order respecting an undertaking, as I understood it, made in the House by the Minister of Labour (Mr. Munro). About one month ago the Minister of Labour indicated, in response to an inquiry of mine, that the report of the commission with respect to the west coast grain handling problems in the port of Vancouver, the Bayda commission, would be tabled in the House, he said at that time, within one week or ten days. Subsequent to that we have had what is apparently a leak of the report, or parts of it, to the press, specifically the Vancouver *Sun*.

[Mr. Cossitt.]

• (1510)

Subsequently I was assured by the parliamentary secretary that we would be having the Bayda report tabled. This is a matter of utmost importance and urgency as far as the people of western Canada are concerned and I would suggest, again, that if a minister makes an undertaking of the sort the Minister of Labour did, he should carry it out. We would now like to hear whether that report is going to be tabled now, or so far in the future that we can forget about any recommendations the report may contain?

Mr. Munro (Hamilton East): Mr. Speaker, I agree with the hon. member that I did lead him to believe this report would be tabled sooner than has been the case. The only thing holding up the release of the report has been the deliberation of my cabinet colleagues in respect of certain provisions. It is our intention, as the government, to table the report together with our response to many of its recommendations in which I am sure the hon. member is interested. The consideration of certain elements of that response has been delayed due to the preoccupation of the government on other matters of higher priority: that is the reason for the delay. But I can assure the hon. member that as soon as the cabinet has had a chance to consider the material before it, we will make the report public. I do not anticipate that this will be too far into the future.

Mr. Haidasz: Mr. Speaker, earlier this afternoon I hoped to be recognized on a supplementary question. A similar question was asked by the hon. member for Portage (Mr. Masniuk) and in his reply the Secretary of State for External Affairs (Mr. MacEachen) was not clear as to which resolution the hon. member for Portage was referring. As I have a copy of the U.S.A. draft resolution on human rights and amnesty for political prisoners tabled at the United Nations General Assembly on November 12, 1975, may I table a copy of the resolution to be included in *Hansard* so that this matter can be clarified?

Mr. Speaker: Order, please. I regret that there is simply "no" provision in the rules of the House for private members to table documents.

* * *

ENERGY

TABLING OF NATIONAL ENERGY BOARD REPORT "CANADIAN OIL SUPPLY AND REQUIREMENTS"

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, under Standing Order 41(2) I wish to table, in both official languages, copies of the National Energy Board report entitled "Canadian Oil Supply and Requirements".

* * *

ADMINISTRATION OF JUSTICE

PETITION RESPECTING GUN CONTROL

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to present a petition to this House in respect of gun

controls, signed by approximately 10,000 people. This petition urges the government to place restrictions on the sale of lethal firearms over the counter. It should be of interest to the House that the petition was collected and given to me by Mrs. Maggie Burtinshaw of Vancouver whose son was shot to death in a shooting incident in Vancouver some time ago which, in my submission, could have been prevented had there been tighter gun control laws in effect at the time.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,162, 3,186, 3,194, 3,195, 3,196, 3,197, 3,198, 3,200, 3,201, 3,202, 3,213, 3,273 and 3,287.

[*Text*]

FEDERAL MORTGAGE EXCHANGE CORPORATION

Question No. 3,162—**Mr. Reynolds:**

On what date will the Federal Mortgage Exchange Corporation commence business?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): As announced by the Minister of State for Urban Affairs on November 3, 1975, the Federal Mortgage Exchange Corporation will be operational by April 1, 1976.

SITE FOR PROPOSED MEDIUM SECURITY PRISON IN NEW BRUNSWICK

Question No. 3,186—**Mr. Landers:**

1. Was Saint John chosen as the possible site for the proposed medium security prison in Martinon, New Brunswick and, if so, for what reason?

2. Was the Northumberland-Miramichi area considered as the locale for such an institution and, if not, for what reason?

3. Was the detrimental effect on a city like Saint John considered when the location for an institution of this type was being decided?

4. Was a civic poll or study carried out to determine the attitude of the citizens of the area and, if not, for what reason?

5. Have the plans been made public and, if not, for what reason?

6. Has the Department of the Solicitor General given any consideration to the effect of escapes, riots, etc. on the population of the Saint John area which is possible due to the proximity of such an institution to an area with a population over 100,000?

7. Was the unemployment rate in (a) Saint John (b) Northumberland-Miramichi taken into consideration in the decision to establish the prison at Martinon?

Hon. Warren Allmand (Solicitor General): 1. Yes. To provide medium security facilities for inmates originating from the general area of Saint John, N.B., or wishing to re-establish themselves in this area upon release.

2. No. Since this area did not meet the Penitentiary Service criteria for the location of medium security institutions, in so far as this area was too isolated from a major urban centre.

3. Yes. Based on experience with similar institutions in large urban centres, it was considered that it would have no serious detrimental effect on the City.

4. No. However, the Penitentiary Service has applied to the City Council of Saint John, N.B., for authority to purchase land for the construction of such a penal institution. It was left to the City Council to determine the need for a public hearing since they are responsible for the management of the utilization of property within the boundaries of the municipality.

5. No. The construction plans are not completed. However, the general concept plan was made available to the City Council.

6. Yes. Such consideration is being given in the construction plans of these institutions. The construction plan will provide for appropriate perimeter security installations as well as the provision in appropriate competence and numbers of security staff to be employed not only on the perimeter security line but also inside the institution for the prevention of escapes and possible disturbances. In addition, it was considered that the few escapes that may occur in this type of institution would have an extremely limited impact on the community since inmates incarcerated in such institutions are not considered to be dangerous.

7. Yes. The rate of unemployment in any area of this country is a constant matter of concern to all federal government departments. Accordingly, the government has taken measures to restrict unemployment to a minimum. However, in the location of penal institutions certain other factors of major importance must receive priority over unemployment if appropriate rehabilitation programs are to be conducted in an efficient and economic manner.

DREE—INCENTIVE GRANTS TO PRINCE EDWARD ISLAND FIRMS

Question No. 3,194—**Mr. Howie:**

How much money was given to firms in Prince Edward Island as incentive grants by DREE from April 1, 1973 to September 30, 1975 and how much was given to firms that are not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: $1,863,275 was paid to firms in Prince Edward Island as incentive grants under the Regional Development Incentives Act from April 1, 1973, to September 30, 1975. Of this amount, $8,280 was paid to firms that are no longer operating.

DREE—INCENTIVE GRANTS TO NEW BRUNSWICK FIRMS

Question No. 3,195—**Mr. Howie:**

How much money was given to firms in New Brunswick as incentive grants by DREE from April 1, 1973 to September 30, 1975 and how much was given to firms that are not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the

Department of Regional Economic Expansion is as follows: $16,311,803 was paid to firms in New Brunswick as incentive grants under the Regional Development Incentives Act from April 1, 1973, to September 30, 1975. Of that sum, $3,809,487 was paid to firms that are no longer operating. (This figure does not include $1,193,354 paid to a firm which has been on strike for an extended period.)

DREE—INCENTIVE GRANTS TO QUEBEC FIRMS

Question No. 3,196—**Mr. Howie:**

How much money was given to firms in Quebec as incentive grants by DREE from April 1, 1973 to September 30, 1975 and how much was given to firms that are not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: $89,940,449 was paid to firms in Quebec as incentive grants from April 1, 1973 to September 30, 1975. Of this amount, $1,249,207 was paid to firms that are not currently operating. Action has been instituted for the recovery of these grants from the inoperative firms.

DREE—INCENTIVE GRANTS TO NEWFOUNDLAND FIRMS

Question No. 3,197—**Mr. Howie:**

How much money was given to firms in Newfoundland as incentive grants by DREE from April 1, 1973 to September 30, 1975 and how much was given to firms that are not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: $5,265,400 was paid to firms in Newfoundland as incentive grants under the Regional Development Incentives Act between April 1, 1973 and September 30, 1975. Of that sum, $95,232 was paid to firms that are no longer operating.

DREE—INCENTIVE GRANTS TO NOVA SCOTIA FIRMS

Question No. 3,198—**Mr. Howie:**

How much money was given to firms in Nova Scotia as incentive grants by DREE from April 1, 1973 to September 30, 1975 and how much was given to firms that are not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: $20,015,264 was paid to firms in Nova Scotia as incentive grants under the Regional Development Incentives Act from April 1, 1973, to September 30, 1975. Of this amount, $51,636 was paid to firms that are no longer operating.

DREE—INCENTIVE GRANTS TO NEW BRUNSWICK FIRMS

Question No. 3,200—**Mr. Howie:**

How many firms in New Brunswick were given incentive grants by DREE from April 1, 1973 to September 30, 1975 and how many are not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 134 firms in New Brunswick were given incentive grants under the Regional Development Incentives Act from April 1, 1973, to September 30, 1975. Of the firms which have achieved commercial production, six firms are no longer operating.

DREE—INCENTIVE GRANTS TO NOVA SCOTIA FIRMS

Question No. 3,201—**Mr. Howie:**

How many firms in Nova Scotia were given incentive grants by DREE from April 1, 1973 to September 30, 1975 and how many are not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: ninety seven firms in Nova Scotia were paid incentive grants under the Regional Development Incentives Act between April 1, 1973 and September 30, 1975. Of the firms which have achieved commercial production, two are no longer operating.

DREE—INCENTIVE GRANTS TO NEWFOUNDLAND FIRMS

Question No. 3,202—**Mr. Howie:**

How many firms in Newfoundland were given incentive grants by DREE from April 1, 1973 to September 30, 1975 and how many are not currently operating?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: forty-six firms in Newfoundland were paid incentive grants under the Regional Development Incentives Act between April 1, 1973 and September 30, 1975. Of the firms which have achieved commercial production, one firm is no longer operating.

BIENVENUE—ANDRAS AGREEMENT

Question No. 3,213—**Mr. Cossitt:**

1. Did the government recently sign an agreement with the Province of Quebec on immigration and, if so (a) on what date (b) for what purpose (c) what are its principal terms?

2. Does the agreement permit representatives of the Government of Quebec, in Canada or abroad, to pass opinions or review applications of immigrants wishing to live in Quebec and, if so, what other provinces have similar privileges and signed agreements?

3. Will representatives of the Government of Quebec be allowed to set up staff in Canadian diplomatic posts abroad for purposes of dealing with immigration and, if so, in what locations?

4. Has the same privilege been offered to other provinces?

5. Is the agreement intended to (a) promote French speaking immigrants to Quebec (b) discourage or prevent English speaking immigrants to Quebec?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Yes. The Government signed a new Agreement with the Province of Quebec to replace the Lang/Cloutier Agreement signed in May, 1971. (a) The Agreement was officially signed October 17, 1975. (b) The Agreement outlines improved co-operative measures which the Federal and Provincial Government will use to encourage the movement of immigrants to Quebec. (c) The principal terms of the Agreement include the free exchange of information between Federal and Provincial Immigration

Officers that may assist in the recruitment of immigrants destined to Quebec, the opportunity for the Province to comment on potential immigrants destined to Quebec and the establishment of the staff of the Province abroad, their location and accommodation.

2. Yes. The Agreement allows the Province to review applications of potential immigrants destined to Quebec or who in the opinion of the Canada Immigration Officer may be destined to Quebec and to comment on these cases. However, the final decision with respect to the selection of immigrants remains with the Federal Government. No other Province has signed a similar Federal-Provincial Agreement.

3. The Province of Quebec may establish staff on a permanent or temporary basis in a Canadian diplomatic or consular mission where there is a Canadian Immigration capacity and where this is deemed possible or, if this is not possible, in a "Maison du Québec" or elsewhere in cities where a Canadian Immigration capacity exists. Under the terms of the previous Agreement (Lang/Cloutier) the Province could request to have officers present in any Canadian diplomatic mission where this was deemed possible and during the life of the Lang/Cloutier Agreement the Province established officers in Athens, Beirut, Brussels and Rome.

4. Yes.

5. (a) The Agreement is intended to encourage immigration to Quebec of French-speaking or potentially French-speaking immigrants who have the ability to integrate rapidly and successfully into Quebec and Canadian society. (b) No.

LIP—AMOUNT OF FUNDING TO VILLENEUVE CONSTITUENCY

Question No. 3,273—**Mr. Caouette (Villeneuve):**

1. Since the inception of the Local Initiatives Programme, has money been allocated to the Constituency of Villeneuve and, if so, in what amount?

2. For each approved project in the Constituency, what (a) is the title (b) is the allocated sum (c) is the year of acceptance (d) is the name of the municipality concerned (e) are the number of jobs which have been created?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. As statistics for the 1971-72 Local Initiatives Program were not maintained on a constituency basis, the total amount of funding to the constituency since the Program's inception cannot be ascertained. However, a total of $1,937,834 was contracted to Local Initiatives Program projects with addresses in the constituency of Villeneuve under the 1972-73, 1973-74, and 1974-75 Programs.

2. (a), (b), (c), (d) and (e): See table below:

Project title	Amount of funding	Location	Number of Jobs Created
1972-73			
Animation Communautaire	$125,246	Val d'Or	96
Comité de loisirs de Louvicourt	8,424	Louvicourt	4
Horizon Nouveau—La Vie recommence	32,261	Val d'Or	9
Video TV	23,868	Chibougamau	11
Corporation Municipale de Barville	45,630	Barraute	15
Projet d'initiatives locales—Municipalité de La Motte	160,942	La Motte	53
Centre d'entraide communautaire	70,356	Senneterre	19
Camp Lacorne	45,630	Val d'Or	23
Garderie Communautaire	65,731	Chibougamau	13
La Garderie "les 30 petits poucets"	56,558	Val d'Or	13
Municipalité de la ville de Cadillac	74,529	Cadillac	37
Ville de Seneterre	58,617	Senneterre	32
Community Action Program Mistassini Indian Band	77,337	Chibougamau	31
Chez le petit prince	46,455	Malartic	10
Projet Scouts	7,371	Level-sur-Quévillon	4
Club de ski—Mont Surprise	7,371	Level-sur-Quévillon	5
Centre de loisirs municipaux	11,700	Lebel-sur-Quévillon	4
Initiative locale comité des citoyens de Lacorne Inc.	21,294	Lacorne	13
Parc de maisons mobiles	87,867	Val d'Or	34
Village Minier (Bourlamaque)	13,940	Val d'Or	10
Aqueduc-Égout-Électricité	64,000	Chibougamau	32
1973-74			
Plage Colombienne	24,960	Cadillac	8
La Garderie "les 30 petits poucets"	32,492	Val d'Or	13
Garderie "Chez le petit prince"	22,135	Malartic	8
Centre d'entraide communautaire	45,350	Senneterre	17
Le Bien-être des familles	27,664	Chapais	10
Atelier d'artisanat "Les Mains agiles"	35,970	Lacorne	13
Garderie communautaire "La Coccinelle"	22,625	Chibougamau	9
Centre d'artisanat	23,468	Val d'Or	9
V.A.L.S. Variété Action Loisirs Service	28,860	Val d'Or	10
Accueil pour alcooliques et toxicomanes	10,310	Malartic	4
1974-75			
Atelier d'artisanat "Les Mains agiles"	13,400	Lacorne	3
Parc d'amusement en plein air	17,125	Senneterre	5
Initiatives Locales des organismes de Lacorne	33,380	Lacorne	12
Aménagement Entretien Base Plein Air Lac Mourrier	35,620	Malartic	10
Aménagement du centre Obalski	9,025	Chibougamau	8
S.O.S. Service-Orientation-Secours	13,942	Val d'Or	3
L'Atelier Botricot	19,872	Rivière-Héva	6
Suivi de l'étude socio-économique et relance de l'économie de			

Order Paper Questions

Project title	Amount of funding	Location	Number of Jobs Created
Cadillac	10,960	Cadillac	3
Le Bien-être des familles	15,140	Chapais	6
Centre de loisirs de l'âge d'or	22,070	Barraute	7
Centre d'entraide communautaire	50,284	Seneterre	17
Atelier d'artisanat de Malartic	24,311	Malartic	7
Projet centre de loisirs (Construction)	25,000	Sullivan	16
Rénovation des endroits de loisirs du centre communautaire	28,106	Lebel-sur-Quévillon	8
Le Cri	18,460	Val d'Or	5
C.C.V.S. Centre Communautaire de Val-Senneville	32,940	Val d'Or	10
Développement de collectivités rurales	27,400	La Motte	8
Projet d'action communautaire	14,960	Obedjiwan	7
Centre d'artisanat	16,700	Val d'Or	5
Centre récréatif de Louvicourt	14,248	Louvicourt	4
Accueil pour alcooliques et toxicomanes	13,440	Malartic	5
Atelier Échelles	18,688	Malartic	6
Aménagement municipal	28,767	La Motte	8
Érablière colombienne	10,686	Cadillac	3
La Ruche Artisanale de Cadillac	19,965	Cadillac	6
Conservation des bassins laitiers	10,684	Rouyn	5
Aménagement de terrain de roulottes	13,700	Barraute	10

BUDGET COSTS

Question No. 3,287—**Mr. Brisco:**

What costs are involved in the production and presentation of a budget?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): It is not possible to provide a specific reply to this question. The costs involved in the production and presentation of a budget vary from year to year.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question no. 3,502 could be made an order for return, this return would be tabled immediately.

[*Text*]

1972 AND 1974 ELECTION EXPENDITURES

Question No. 3,502—**Mr. Fortin:**

1. In regard to the general elections of 1972 and 1974, by constituency what were the total and detailed expenditures of the government for (a) printing (b) polls (c) enumeration (d) expenses and fees of reporting officers (e) miscellaneous items?

2. What were the expenditures for the vote of military personnel?

[Mr. Andras.]

3. What were the total and detailed expenditures of the Chief Electoral Officer for (a) election material (b) telegrams (c) messenger services (d) telephone (e) postage (f) miscellaneous items?

4. What was the total government expenditure for each election?

5. What was the number of (a) eligible voters (b) actual voters?

Return tabled.

[*Translation*]

Mr. Speaker: Are the remaining questions allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—PUBLIC CONFIDENCE IN GOVERNMENT

Mr. Elmer M. MacKay (Central Nova) moved:

That this House, noting the public is concerned about recent disclosures of improprieties in the conduct of public affairs, as evidenced by events resulting in criminal prosecutions with respect to government dredging contracts, the Estey Air Canada inquiry, and disturbing reports about government leasing-concessions of airport duty-free shops, urges the government to take immediate action to restore public confidence in the government's efforts to control conflict of interest and other improprieties of public officials, most especially with regard to government contract and leasing procedures and practices.

He said: Mr. Speaker, during this opposition day motion I hope that apart from the normal amount of debate and controversy which this sort of exercise inevitably involves there will be an attempt to look objectively at certain procedures and habits involving leasing and consulting practices by the government that have developed over the years. I trust there are members of parliament from all parties who recognize that normal political patronage—which everyone who is a realist concedes is part of our political system—can, if allowed to remain unchecked and unsupervised, escalate into something that can become very ugly and to a great extent undermine the trust and credibility of any government under whose administration it is perceived to become rampant. Indeed, if allowed to become a way of life it can bring all those in public life into disrepute.

In discussing the matter of Sky Shops and Mirabel, which recently has been the subject of a good deal of editorial comment and news features in leading publications across the country and, indeed, mentioned extensively in parliament during the past few weeks, it is not my intention to overemphasize these particular situations but, rather, to use them as a focal point to discuss what I believe to be a wider and more important issue, namely, that some very sloppy practices and imprecise guidelines, together with a certain amount of favouritism, are prevalent today in the use of consultants and in the granting of leases and concessions by this government. I hope that speakers from the government side of the House will be able to tell us what progress is being made on the implementation of conflict of interest rules for senators

and members of parliament, and that we will not have the government House leader say, as he has in the past, that cabinet ministers should be subject to no more stringent rules in this regard than ordinary members of parliament.

I do not believe, however, that ministers, MPs or senators ought to be forced to divest themselves of all they have worked for while in private life simply because they have become part of our country's parliament. But there is a need for more comprehensive guidelines.

There seems to be, in my humble opinion, a lack of appreciation or perception by the government that the funds it administers must be used judiciously and that public property must not become the private preserve of the government's political friends. I think it is significant that I have had colleagues from different parties, including the one which governs our country, tell me they are not antagonistic to the course of action I have followed in focusing attention on matters such as the one I am going to discuss today which I believe to be politically improper and which involve an apparent lack of good judgment and business ethics.

Members of parliament who take an interest in the way that public properties are utilized and the terms of contracts involving governments can save the taxpayer a good deal of money. For example, I feel that a current exchange between myself and the Minister of Public Works (Mr. Drury) might serve as a good example of this sort of thing. This minister and I have been discussing a possible variation in the garbage contract for the city of Ottawa which involves the federal government. By reviewing the terms of bids which quoted different figures for the federal portion of the contract and by severing one of these bids from the contract, the end result may well be a saving of hundreds of thousands of dollars to the taxpayers of Canada. Should the Minister of Public Works feel he can take this practical course of action with the resulting saving, all of us, I am sure, with non-partisan views will commend him for it.

As far as Sky Shops, that suddenly famous duty-free establishment in Montreal, is concerned, a perusal of its financial records indicates that this firm paid substantially less than it should have, for several years, for the use of government facilities at the Montreal international airport at Dorval. Had a more realistic rate been assessed, comparable, for example, to that at the Toronto international airport for a similar establishment, Sky Shops could still have showed a very good return on its investment and the federal treasury would have been in receipt of a great deal of extra money from the lease of this public property.

● (1520)

I am convinced that at Mirabel, as well, proper bidding procedures were not followed and that a number of firms did not receive fair treatment when they submitted tenders for the privilege of operating a duty-free merchandising establishment there. In passing, one should look at the monopoly situation—a double-barrelled monopoly, in fact—that Sky Shops enjoys: on the one hand, an exclusive right from the Liquor Control Board of the province of Quebec to sell, and on the other hand an exclusive lease from the Department of Transport, one monopoly dovetailing into the other and each justifying the renewal of the other. This is not a very healthy situation. Perhaps the government ought to consider using its sovereign power to bypass provincial liquor boards and deal directly in cases such as this concerning the sale and distribution of spirits. That is something I think the government should consider.

Sky Shops is, as this House knows, a very interesting company. It appears that concessions were given by this organization in many forms. A senator, a former Union Nationale member of the Quebec legislature, made windfall profits quickly and for no apparent logical reason, at least based on strictly business considerations. It is obvious, as well, that Sky Shops was not reluctant at all to give certain prominent people favourable opportunities to acquire their stock at bargain basement rates. Customs officials, Department of Transport personnel and others received gifts from Sky Shops. To their credit, some of the recipients of larger gifts returned them, but that does not remove the need to scrutinize the motives of the executives of Sky Shops who, it would appear, are clearly in contravention of section 110 of the Criminal Code of Canada in giving television sets to federal employees, regardless of whether the sets were returned.

One has to question the motives of people who would put government employees in this sort of position. The fact, also, that P. Lawson Travel, part of the very considerable business empire of Thomcorps, paid what would appear to be an extraordinarily high price for the shares of Sky Shops which at the time was doing business at an airport soon to be over-shadowed by Mirabel, to which it would ostensibly lose its international flights, does nothing to dispel my feeling that part of the consideration was the knowledge that Sky Shops had the inside track on other duty-free operations which would be established in the future, particularly at Mirabel, and nothing in the ensuing course of events has changed my impression in this regard. I hope the government can do this. One of my colleagues will be developing this theme later.

Let us consider what happened to some of the other bidders who were unsuccessful in their attempts at Mirabel. I have one example of a man who in good faith endeavoured to obtain the duty-free concession at Mirabel in competition with some of the other nine bidders, including Sky Shops. I had a notary obtain a deposition, and the deponent, Mr. K. S. Kohli, is prepared to elaborate on it and to give other information if provided with a proper forum such as a judicial inquiry. However, I will quote some relevant parts of his statutory declaration and will be pleased to table the entire declaration, the original, if it is the desire of the House that I do so. One of the interesting things about the guidelines put out by the department for duty-free concessions is the fact that the department violated its own guidelines, something that does not exactly engender confidence in the system. The second paragraph in a Ministry of Transport publication reads:

> The policy of the Department of Transport concerning the award of contracts for duty-free concession is as follows:
>
> Once the bids have been evaluated, the department will advise each bidder of the rank of each bid, in relation to the others.

This has not been done on several occasions. Perhaps some of the relevant parts of the deposition of Mr. Kirpal Singh Kohli, a Canadian citizen residing at 7910 Côte St. Luc, in the city of Montreal, province of Quebec, will

amplify some of the feelings of injustice that several people have conveyed to me as a result of the procedure. Mr. Kohli deposes and declares:

That I was a tenderer in response to the call of the Department of Transport of Canada for tenders for the duty-free shop concession at Montreal international airport at Mirabel in the province of Quebec.

I will not read all of this, Mr. Speaker, because it is fairly lengthy. He continues:

That upon the bids being opened and announced by an official of the Department of Transport, it appeared and I verily believed and do believe that my bid was the highest and the most remunerative to the Government of Canada and, indeed, I was congratulated as the successful bidder by certain of the other tenders;

That subsequently my tender deposit, being $20,000 in negotiable securities of Canada, was returned to me by the Department of Transport without explanation;

That knowing that the tender deposit should be retained until the tender was awarded, I inquired of an official of the Department of Transport for the reason why the deposit had been returned to me and I was informed that a mistake had been made and that the deposit should be returned to the Department of Transport;

That I returned the tender deposit to the Department of Transport in other negotiable securities of Canada in the amount of $20,000.

So he submitted that amount the second time. He goes on to say:

That on or about August 26, 1974, my tender deposit was again returned to me with a letter, as by reference to the copy of such letter, marked Exhibit A—

This is appended to the deposition. The letter simply states that the $20,000 was returned apparently for the second time and then goes on to say that the results of tendering for the duty-free shop will be announced in due course. Mr. Kohli finishes his deposition by saying:

That the letter mentioned in the preceding paragraph was the last communication I received from any official of the Department of Transport, contrary to the policy of the Department of Transport as set out in the document, of which a copy, marked Exhibit B, is attached to this my declaration.

That was the document in respect of the letter to which I referred a few moments ago. This paragraph is interesting, also:

That I was first informed that the Department of Transport has awarded the concession for the duty free shop at Montreal international airport at Mirabel aforesaid when comment thereon was made in the public press and other media following upon the presentation of a petition to the House of Commons of Canada on or about November 3, 1975—

These are one man's feelings. It may be said that he is exhibiting certain negative feelings because he was unsuccessful, but there is at least another bidder who had some interesting things to say. One of my colleagues will be dealing with this in due course. Some of the documents setting out the Sky Shops dealings over the years with the federal government are most interesting. We trust the government will table soon some of the more relevant letters and documents other than those which the opposition has supplied them. As the House knows, the situation outlining some of the rather unusual aspects of Sky Shops relationship with DOT and Senator Giguère has been a matter of public record since November 3. But at no time since then has the government tabled any documents which would shed further light on this matter. The government has gone into its usual defensive crouch.

[Mr. MacKay.]

I am sure Mr. Anton, the founder of Sky Shops, would like to testify before a judicial inquiry. This man, who founded the company and did all the work necessary to make it into a successful business, seems to have been a victim of his apparent requirement to surround himself with people who were politically acceptable. It is by no means certain that he did this voluntarily, and his reward ultimately was to lose control of his company and receive considerably less for his stock than the other shareholders. Frankly, I feel sorry for Mr. Anton who has a distinguished war record and appears to be hardworking and essentially a good type of person. But that is for another forum. Another thing troubles me about this particular aspect. It is exemplified in a statement made by, it is true, another unsuccessful bidder, but it is a statement that the man who furnished the information to me would be pleased to amplify were he given the proper forum in which to do so.

● (1530)

Many people involved have indicated their interest in testifying in what they perceive to be the proper forum. Clarence Campbell has made this remark, and Senator Giguère himself said something to that effect. In any event, such a remark made by a business associate to another bidder, a man who already operates a duty-free operation in Newfoundland, is very startling if it is true. While he was working on the bid, an associate of his, an acquaintance, came to him and said words to this effect.

Mr. Lang: Who is saying these words?

Mr. MacKay: The name of the man who made this remark—I thank the minister for his interjection—will be divulged by Mr. Farkus, who was an unsuccessful bidder, to the proper official, preferably, as he suggested, in the context of a judicial inquiry. I realize that to some extent what I am saying is hearsay and I do not intend to dignify it as anything more than that, but it is significant because of the attitude it conveys. It is not that terrible. I will clean up the wording as I go along, so that it can be phrased in parliamentary language. He said:

Why are you fuddle-duddling around with a bid for a duty-free shop at Mirabel? Sky Shops have that sewed up. The Liberal bagman has a piece of the action.

This is worth investigating. We will never get to the bottom of this matter unless we have an investigation. Like Mr. Kohli, this bidder will, under proper circumstances, be pleased to provide more details. This type of remark, true or not, has serious implications.

An hon. Member: Did you say "true or not"? It has no implication if it is not true.

Mr. MacKay: That is why we want an inquiry.

Some hon. Members: Hear, hear!

Mr. MacKay: Let us find out whether it is true or not. This type of attitude undermines the entire system.

Some hon. Members: Oh, oh!

An hon. Member: A prima facie allegation.

Mr. Lang: Stick to facts.

Mr. MacKay: I am advised to try to stick to facts. I thank the minister for his advice, but at times we do not get much of an example from over there.

An hon. Member: Tell us something else that is true or not.

Mr. MacKay: I suggest that this type of attitude undermines faith in the system and that the attitude that the fix, or bribe, is the quickest road to success brought us the dredging scandal which, as all Canadians now know, is a multi-million dollar fraud.

Some hon. Members: Oh, oh!

Mr. Stanfield: Don't get excited.

Mr. MacKay: Yes, don't get excited, as the Leader of the Opposition (Mr. Stanfield) says. Just relax. The philosophy of the fix, or bribe, must be stopped from spreading further, I suggest to the minister. How would we, as members of parliament, feel if our elections were determined or were thought to be determined by any suggestion of bribery? Yet many people in the business community, rightly or wrongly, feel that their endeavours are governed by things like this; and the more this type of belief spreads, the more justification there will be to adopt this type of philosophy.

It is obvious that the government and the Minister of Transport (Mr. Lang) do not know quite what to do, except to instruct the RCMP to investigate, and I commend them for this part of it. But there has been no tabling of documents, no statement by any minister on motions, not even a press release, and no indication that anybody intends to do anything but stonewall the entire matter and wait until the pressure subsides. There are suggestions that an RCMP investigation is sufficient. How ridiculous! No one can really believe that the types of questions that have been raised thus far in this affair, and will be raised by my colleagues and myself in the future, can be successfully considered, defined and discussed in the context of an RCMP investigation, however useful such an investigation may be to amass data and evidence. It is necessary to have a forum presided over by a distinguished jurist, assisted by able counsel for all interested parties, to consider a situation such as the Sky Shops affair.

We in the opposition consider it very strange that the government appears to take the attitude that we must apparently prove beyond a reasonable doubt that inquiries should be made. Where is the government's sense of responsibility? Have they no self-starting mechanism at all? It may be that after an inquiry and the ensuing report, the government can announce there was no wrongdoing at any time and that their methods of conducting business and dealing with matters such as those at issue today are so efficient and straightforward that they require no change in procedure. I, personally, hope that this will be the case. But I would like, for example, to see them explain certain contractual aspects of the Mirabel operation, even getting down to such fundamentals as to how people are put on planes. It is pretty basic, I would think, to the success of any airport. There are 13 or 14 passenger transport vehicles now at Mirabel each costing in excess of $400,000 and, as a matter of interest, manufactured by Booth Airside Systems Incorporated of Pennsylvania, U.S.A., a subsidy of Booth Computer Corporation of California.

General Aviation, the company which has the contractual rights to operate these vehicles—the same company, incidentally, that had difficulty at Heathrow airport in the United Kingdom, reportedly because of labour problems—is not supplying technically competent people pursuant to the agreement they have with DOT, in that the operators of the PTVs are supposed to be the equivalent of experienced, heavy-duty equipment operators. I suggest to the minister that they are not. Late in October, for example, a PTV at Mirabel came in contact with a telephone pole and smashed a couple of cars. A small incident, but indicative. The operators and maintenance personnel are paid considerably less than their DOT counterparts and General Aviation makes a nice profit because of the comparatively low wages their men are paid.

Because of possible labour difficulties or other complications, one has to assume that DOT has provided back-up personnel to maintain and operate this equipment, since it is the only way to get people on the aircraft. It would be disastrous if that operation were disrupted. We know that the equipment is so unrelaible that approximately 14 machines are kept at Mirabel so that 8 or 10 of them have a reasonable chance of working at any given time. One has to ask why the Minister of Transport would countenance such a wasteful and stupid arrangement. Why do we need to have General Aviation operate these machines at all? Cannot DOT do the job? Also, why have these PTVs never been given a proper post-assembly check?

If the minister wants to know why at the official opening of Mirabel the PTV for the VIPs malfunctioned at such an embarrassing time, I can tell him. I leave to his imagination what is going to happen when these machines have to operate in the type of climatic conditions they will face during the winter. Is this the kind of expertise, in the conception of how to load passengers on planes, that approximately $50 million worth of consulting fees has achieved for Mirabel—

Some hon. Members: Oh, oh!

Mr. MacKay: —an airport which, I suggest, is more like a gigantic reproach to reason than an airport. In this country we spend nearly $1 billion for consultants and outside services. Admittedly, some of these services, such as the Corps of Commissionaires, some teachers and accountants, are worthy and necessary, but it is the consultants themselves that disturb me. We pay approximately $5 billion a year for our public service, plus the money on consultants. Consultants have become a drain on this country. We cannot afford to have an expensive public service and an army of hangers-on, only some of whom are legitimate consultants, to help our public service do jobs they are being paid to do themselves.

It is interesting to look at the budget of some of our smaller provinces in relation to this type of budgeting by the federal government. Some of my figures may be a year old, some are based on projections, but they give a reasonable indication. I am not swearing to their absolute accuracy. In Manitoba, the current total provincial budget is around $1 billion; in New Brunswick it is less than $1 billion; in Saskatchewan it is a little over $1 billion; in

Nova Scotia it is about this amount; in P.E.I. it is $185 million; in Newfoundland it is almost exactly $1 billion. It horrifies me to see, in relation to what it costs to run an entire province, what this government is spending on consultants. It is interesting, also, to speculate whether, if the former minister of communications and chairman of the CRTC had been successful in Hochelaga, the Prime Minister (Mr. Trudeau) would have hired a $40,000, $50,000 or $60,000 a year assistant to do the job that Mr. Juneau has been given. Would the job exist if Mr. Juneau had won in Hochelaga?

Some hon. Members: Hear, hear!

● (1540)

Mr. MacKay: If the Prime Minister had a business of his own and wanted to hire his friend and put him on the payroll, that would be a nice gesture indeed; but do the people of Canada need this political reject in the Prime Minister's office at this time of restraint? I think not.

I know the government is deeply embarrassed about Sky Shops, Senator Giguère, Mirabel and a number of other things, and I know that it has good cause for its embarrassment. My thinking has changed a bit during the past few days and I doubt whether there will be an inquiry. I say this for good reason. I think we may not have an inquiry because the government realizes that with all the facts which would come out, facts which the Senator probably knows, about patronage, the resulting scandal would be too much for even this government to bear. Under ordinary circumstances, and if the subject were not so delicate, there would be a good chance that an inquiry would be held, particularly in view of the number of newspapers and leading columnists who have stated unequivocally that this should be done.

Several months ago there was an inquiry into some aspects of Air Canada which I feel sure will ultimately prove valuable and constructive, and I once more compliment the former minister of transport for taking that course of action when he did. There were no RCMP raids, but there was an inquiry. Recently there was an inquiry announced into the Panarctic Aircraft crash, but the amount of agonizing that had to take place before it was done had to be seen to be believed.

In closing, I wish to say to the government that it should put its affairs in order, stop pending taxpayers' money on unnecessary luxuries as if our supply of money were unending and stop paying off friends with needless, nonproductive jobs. If the jobs are necessary and productive, no one will be disturbed if they are given to competent and honest Liberals—and there are many of them around; I am the first to admit that. No one ought to be upset in that case. But I say to the Prime Minister that, despite his recurring delusions of grandeur, I doubt if there is a serious economist in Canada who is not convinced that our present economic difficulties are caused to a large extent by the spending habits of the Prime Minister and his government.

If we are reasonably to expect Canadians to support the measures parliament is now considering to solve our economic problems, measures which require a considerable amount of self-denial by citizens of this country, this government must show the way by its example. A good way to begin would be to make a diligent effort to find present abuses through an inquiry, curb them, and in future demonstrate more respect for proper business ethics and procedures in dealing with public properties and privileges.

[Mr. MacKay.]

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have carefully read the motion put forward by the official opposition and I want to say at the outset that it is a good motion. I particularly like some of the words in it; for example, "improprieties", which I will discuss later. I also wish to congratulate the hon. member who spoke for the official opposition. He is a good member of parliament; he does his homework.

Some hon. Members: Hear, hear!

Mr. Benjamin: We all know that he is an honest man and that he will keep up the good work. However, I suggest to my good friend that although what he has been doing over the last number of months is good work, he should begin to realize that the things he has discovered which have occurred inside and outside government operations, both in the public and private sectors, are nothing more than symptoms of the kind of disease which is prevalent in our whole society. It is really a plague. It is not just peculiar to the party that happens to be the government, whether it be NDP, Liberal or Conservative.

Mr. Nielsen: What was that first one?

Mr. Benjamin: It is not just peculiar to one group of individuals in a particular sector of our society. It is a disease and a plague in our entire system. The hon. member has found improprieties. The dictionary defines "impropriety" as indecency, and it is very prevalent in our society. I am not one who is partisan, but whether a system is free enterprise, socialist, communist or whatever, in that system there must be an element of puritanism, an element of doing as well as we can at whatever work we do in an honest and equitable way, believing that there are rewards other than money and influence, such as appreciation and recognition for what we are doing. If a man stands shaving in front of the mirror in the morning and is able to look himself in the eye and not feel embarrassed but proud of what he is trying to do, whether it turns out that he is right or wrong, it is because he is doing as well as he is able to.

It may seem strange to some of my colleagues that I am trying to be somewhat philosophical about this. I am not trying to pretend for one moment that any one person, idea or system is perfect, or that no one ever made a mistake. The question is not what mistakes were made, but how they were made and for what motives. I wish to say quite bluntly and frankly that most of the world is governed and victimized by totalitarian systems and free enterprise systems, and those systems contain within them elements of greed, corruption, improprieties, or whatever other nice language one has to use in a motion before the House of Commons.

I will deal with our system because that is the one we live under. I would deal with the other systems if I were living under them, even at the risk of going to a labour camp. The mythology of free enterprise requires that profits be maximized and that we make all the bucks we can, as quickly as we can. It is all right to cut corners, to make mutually profitable deals and not to worry about who may be hurt. That is part of the system. Ethical businesses, ethical businessmen and ethical free enterprisers would be the first to turn down a case of whisky at Christmas time from business associates or competitors. They would not send a case of whisky to a friendly politician whether he be at the municipal, provincial or federal level.

Mr. Mazankowski: What about the socialists?

Mr. Benjamin: If the system is so good—and I recognize the frailties and mistakes each and every one of us makes as individuals—it would seem to me the system would require that the mistakes are not made in that way. They would be genuine human mistakes of judgment, or even incompetence—which all of us are born with to some degree—but not mistakes of a case of whisky at Christmas, or sending a gift to a municipal councillor, an MLA or a member of parliament. I doubt very much if any member of this House has not had a gift offered to him at some time in his tenure as a member of parliament. Whether they have been accepted, I do not know and I would not presume to know. It is part of the system, part of the game.

● (1550)

I want to give full credit and honour to the hon. member for Central Nova (Mr. MacKay). He is an honest man, and is seen to be an honest man. Also, I am confident that the Solicitor General (Mr. Allmand), the Minister of Justice (Mr. Basford) and others on the government side are just as unhappy and concerned about this matter as anybody else. I am confident—and I hope my confidence is not misplaced—that they will carry out the most hardnosed inquiries possible and lay charges where they are required.

I am not going to cast personal aspersions against the Liberals or Tories, because I am not too happy about some members of the NDP either. We are all people. I condemn the kind of system that the hon. member for Central Nova represents, that members on the government side represent—going to church every Sunday and beating your neighbour the rest of the week. If you are to get ahead, the system requires that you be good at your job. That is not good enough for the so-called free society. If you have some friends and send a few cases of whisky, that gives you the jump on your so-called competitors in the free enterprise system. It is normal practice. But Air Canada may have been caught. If there were the accountability required of Canadian Pacific or other transportation companies who operate in Canadian airports as is required for Air Canada, I am sure the hon. member for Central Nova would have an even more interesting time than he is having.

I am glad this question has come to the surface and that the smell is getting around. Don't let us lay it at the door of Air Canada, however, or whoever may be in government departments, or contractors or dredgers or anybody else. That has been the name of the game since the turn of the century. We just have to look around in our own communities, in our constituencies, amongst our own associates, relatives and friends, to see the state of mind and the attitude. If these free enterprisers think there is some value to the system that is worth saving, they had better hurry. The public is not going to stand for it. Each day more communists and totalitarians are created through the free enterpriser's conduct of his own affairs and the way he treats his fellow citizens. Think of the poor American bomber pilot who dropped another load on Viet Nam and commented, "I wonder how many more communists we created today?"

It is not what we say, but what we do, that counts; who we do it to, how we deal with people and with one another. Those right-wing reactionary dinosaurs who run loose in our society had better remember that if it is all right to hang the person who commits a premeditated murder or murders a police officer or jail guard who is on duty, it should be equally proper to hang the corporate president who defrauds people of $4,000 or $5,000 then gets a jail sentence of 18 months but only serves four months and goes home every weekend.

The poor slob who is unemployed and has a couple of kids, who knocks over a service station and steals a few bills, gets a three-year sentence and serves 18 months. Is it any wonder there is disrespect for the law, and cynicism? Is it any wonder people say, "To hell with you, Jack; I'm all right." That's what the system has taught them. Whether it is a civil servant in the middle or upper income levels, or a lawyer trying to get a contract for a company, or a corporation president, they are all caught at the same game. That is the fatal weakness of this so-called free enterprise system.

As a socialist, I will not take a back seat to the free enterpriser when it comes to the work ethic. The work has to be worth while, whether it be for Air Canada, or as a member of parliament or whatever—it has to be because you love the work you are doing. How much you get paid for it is secondary, as long as you get some recognition for it. About four or five years ago a businessman in Regina who was not a member of the NDP—he would not vote for me even if I were the only one running—sent me a letter, not a case of whisky or a pat on the back. He said, "I think you are doing your best at being a good member of parliament. You are working hard. I do not agree with much of what you say and do, but I thought I would write and let you know that I think you are doing a good job, even if I do not agree with the job you are doing." This man is a free enterpriser in the best sense of the word. It is difficult for me to concede good sense when it comes to free enterprisers, but this letter concerns the work ethic.

When I look at the word "improprieties" in the resolution presented by the official opposition, I think we all have glass roofs on our houses, as individuals, as parties and as a society. While it might be a great deal of fun to find some Liberals with their hands in the till, sooner or later some Conservatives and New Democrats and Créditistes will get caught. We are all part of the system. As an agnostic, let me say to all Christians: Let he who is without sin cast the first stone.

I hope the efforts of the hon. member for Central Nova will stir the government into taking expeditious action

wherever there is impropriety. I hope those found guilty of impropriety will be treated under the law as the people expect.

Mr. Reynolds: Hang them.

Mr. Benjamin: I would agree with the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds). If a corporation president who has defrauded people out of $200,000 or $300,000 can get an 18-month sentence and then get out after three or four months and appear every Saturday night on "Hockey Night in Canada", it is no wonder people become cynical and say, "To hell with it". There is good reason. People whose politics are diametrically opposed to mine scream at me about law and order. They are the ones who are part of the system that allows such a corporation president to serve four months and then appear on "Hockey Night in Canada" every Saturday night, while the poor slob who has knocked over a service station gets three years. If the revelations of the hon. member for Central Nova result in people being found guilty of improprieties or breaking the law, I hope the fines and jail sentence will be in proportion to the enormity of the crime. The blue collar criminal is treated more severely than the white collar criminal.

● (1600)

An hon. Member: What is a blue collar crime?

Mr. Benjamin: I think the hon. member knows that as well as I do. There are blue collar criminals in his constituency. The fellow who knocks over a service station is treated more severely than the bank accountant who embezzles, the corporate president who defrauds and has lots of money to spend on his defence, and the senior civil servant who can disappear or travel to other parts of the world. The poor slob who knocks over a service station is given much harsher treatment than is meted out to our so-called leaders, to the white collar people, the mandarins, corporate presidents or members of parliament when they go wrong. As they ought to set an example, they should pay a greater penalty than the rank and file is called on to pay. That is all I suggest.

I don't suppose the men being investigated in connection with the hon. member's motion are any worse than others. Yet, for a change such crimes ought to be severely punished. I am not pleading for mitigation. I don't know why I should help free enterprisers who think our system is working so well. If they want to make their system as good as they say it is, they should forget about making all the fast bucks they can. They cannot forget Christian principles seven days a week, 24 hours a day. If they want to avoid totalitarianism in its worst form, of the left or the right, our free enterprisers had better change radically and deal with wrongdoers in their ranks as severely as they deal with other wrongdoers.

An hon. Member: Are there any NDP wrongdoers?

Mr. Benjamin: I say to the hon. member for Yukon (Mr. Nielsen) that NDP supporters are not perfect. We have made lots of mistakes, some of them dandies.

An hon. Member: The truth will out!

[Mr. Benjamin.]

Mr. Benjamin: When we catch one of our own in wrongdoing, we deal with him severely. Mr. Speaker, I hope you will allow me 30 seconds to finish my speech. I hope the official opposition will speak on much more than is contained in this motion.

Mr. Deputy Speaker: Order please. Does the House give its consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Benjamin: Thank you, Mr. Speaker, and I thank hon. members for letting me talk a couple of minutes longer. If they are lucky, I shall talk no longer, as I must hurry to the airport to deliver passports to desperate constituents.

My philosophy considers what we can all contribute to society. It is not enough to be a puritan, a law and order man, to think as the dukes, lords and earls thought a couple of centuries ago. Such attitudes no longer work. If you are the head of a dredging company, a director of Sky Shops, a trade union leader, member of parliament, garbage collector, or the janitor of this building, when there is work to do, do your best no matter what your work is. The work itself is important, not how fast you can make the bucks or how quickly you can get ahead of the other guy. Greed is the motive of our system, and it will destroy us. The alternative will be a totalitarian system which none of us wants. It matters not whether you are a garbage collector; without your work, the city of Ottawa grinds to a halt. Everybody, from the Prime Minister down, needs the work of the garbage collector. It is important and noble work. Surely he should not need to give his union head or employer a case of whisky in order to get a better deal; yet that is what we do now.

We should all do our best work, not because we are paid but because we want to. We are not members of parliament for the pay. If we are criticized, often we deserve criticism. We are not here for the money, although we need money to keep balogna in the fridge and a few bucks to put away for our retirement. But that is not why we are here. The important thing is work for work's sake. I hope that does not make me sound like a puritan, because I am not. The point is, we must work because there is work to do, no matter what it is.

If the free enterprise system works so well, why cannot a reputable dredging company, or a company operating duty-free shops, make an honest tender for an honest job? Why is it necessary to collude and bribe? Surely the reason is evident. I ask my friends on my right—I call them my friends because I like them as people—to think on this: for what do they stand? They support a system which will betray our nationhood and bring about the very difficulties which other countries have gone through. It will happen, if we are not careful, through conflict of interest, impropriety or whatever you call it. Consider what Karl Marx, Mao Tse-tung and Jesus Christ have said to use over these yea so many years. In the long run it matters not if we are Liberal, Conservative or NDP. What matters is our manner of living together, the society we create and how we treat one another.

The hon. member for Central Nova has worked diligently, as I said when I began my speech. But his findings

illustrate nothing more than how our social system works. He has merely discovered how a carpenter, president of a construction company or anyone else would behave in similar circumstances. No doubt the people involved in the business he investigated are basically good—as good as anyone else. But our system requires them to operate in the way they do. The situation is, if you want to get ahead, you had better make sure your company gets the contract. Do what you must to get the contract; that's the name of the game.

In case my friends on my right are overly enthusiastic later this evening, let me tell them that there is far less wrongdoing of this sort in public life, in governments, than in private business. But what is happening once in a while in government business is prevalent in private business, and has been for decades. We all know this to be the case, and no one should try to kid Joe Citizen about that kind, upright free enterpriser who goes to church every Sunday and tries to kick his neighbour in the backside the rest of the week.

● (1610)

There are some lessons to be learned here. Of course, improprieties in government and in public institutions must be continually scrutinized, and public accountability has always to be there. Let us require the same, not only of each other and of ourselves but also of the private sector. Maybe what goes on income tax returns, which are inviolate and confidential, may need a look at as well. The mood that we all know is amongst our citizens, our constituents, is there for a very good reason. There is cynicism, disrespect for the law, disrespect of leaders of whatever political stripe, and it is there for a very good reason. They have good reason for being cynical and disrespectful and saying to hell with the work ethic and to hell with enjoying the kind of work they do. It is because they have been educated since they were so high to make all the bucks they can, to get ahead of their neighbours. They have been brainwashed by deceptive and false advertising. Their priorities have been misplaced, like the government's. It is more important to worry about deodorants and snowmobiles than houses or pensions. They can increase the amount of money for the Secretariat of Intergovernment Conferences by $700,000 according to the supplementary estimates, but CMHC's land acquisition program received only $200,000.

Do you wonder why the citizen in Gopher Gulch, or Toronto, or anywhere else, is cynical and disrespectful when he sees $200 a day people sitting in Ottawa or Toronto, or reads about them in the newspaper and he cannot make a down payment on a house which he will never live long enough to pay for? Do you wonder why? What about our priorities, as well as our ethics? There is a reason people are disrespectful, resentful and cynical. All of us know this. When we go home to our ridings, we run into it all the time. It is frightening. Benito Mussolinis, Joe Stalins and Adolph Hitlers do not happen by accident.

So in the course of what we say in this debate, in the course of what the government will be doing—and I am confident they will be doing it expeditiously, honestly and fairly in terms of looking into improprieties—I hope we will all give consideration to our own priorities, our own work ethic and restoring some confidence and support amongst people generally, no matter what political or religious beliefs they may hold. If we do not do that, Mr. Speaker, what the hon. member for Central Nova has been working very diligently and well at will have gone for nought; it will have been pointless—because if you go back to 1870, whether it was Beauharnois, Sir John A. Macdonald, Wilfrid Laurier, or whoever we honour in our history, there is nothing new about this.

I would ask hon. members, again, whenever this happens in the course of wanting the free enterprise system to prevail, how many more totalitarians did you create in the course of carrying out the work of your system? If my hon. friends will do that, and if they succeed then, there will never be any need to elect an NDP government.

An hon. Member: Good!

Mr. Benjamin: I hope they will think about that. I thank my colleagues for their indulgence. What I have had to say may have been disjointed, but it is something about which I feel very strongly, and I know my colleagues do. I think all hon. members of the House feel that way.

All I am doing is asking, on behalf of my colleagues, that in the months ahead we take a look at what we are doing, at our priorities, at how we deal with one another, at how we deal with citizens, and at how citizens deal with one another under what is supposed to be a profit-motive system. If we took a good look at that situation, I suspect we could do much better.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I thank the hon. member who moved the motion before us today for giving us the opportunity to discuss a subject which is extremely important to the good reputation of government and Parliament itself.

Indeed we were asked lately to discuss the restriction program advocated by the Prime Minister (Mr. Trudeau) to fight inflation. When I took part in this debate, I pointed out the distinction we should make between expenditures and waste. I would like today to emphasize for a few minutes the absolute necessity to prevent at all cost the waste caused by mismanagement, shameful patronage and the unnecessary spending arising from conflicts of interest.

Every year, the Auditor General exposes to the House the many inconsiderate and unwarranted expenditures which result in budgetary inflation. The recommendations of the Auditor General are practically never taken in consideration. Instead, the integrity and objectivity of this watchdog of government spending are sometimes questioned, even by the Prime Minister. It would seem that there is a certain premeditation as regards honest management of public funds. Of course, recent disclosures concerning contracts given to duty-free shops in airports are a typical example of what favours can be granted to political friends. Why do those things happen? Why does anybody not denounce them? Why are we deaf and blind when we know very well that this is happening? Why are there not duly mandated people working to prevent such situations? In my opinion, Mr. Speaker, this suggests a certain tacit agreement among the authorities of the various departments, the civil servants and the shark friends of the party in power, that are always ready to bite into public funds. I

cannot see why it should be impossible to prevent such incidents.

It is therefore very obvious that this motion is timely. Action should certainly be taken immediately so that the public may have confidence in the efforts of the government to control conflicts of interest, wastage and unworthy patronage. This is particularly important and urgent since we only have to listen to opinions expressed by taxpayers to see how the honesty and integrity of the government, and so, of all members of parliament, are abused. Unfortunately, the bad opinion that citizens have about their representatives is caused mostly by this type of careless and partisan action on the part of the government administration. In these years where authority has been undermined, where respect and politeness are considered outdated, where disorder, if not anarchy, is increasingly present, it is important to see that it is necessary and even essential that the reputation of our leaders remain intact.

Only those who are respected can be obeyed. Only the authority of those whose integrity and honesty is above suspicion can be accepted. It is therefore our duty and obligation to restore the public confidence which the government sometimes help undermine dangerously.

Mr. Speaker, some might say that nothing in this is new and that unworthy patronage and conflicts of interest have always existed. I would reply that we must not wallow in the mud just because some of our predecessors have done so.

I am therefore in complete agreement with this motion, and I hope that the government will soon show its good will and good faith in trying to correct this sad situation. It is all very well to ask the citizens to tighten their belts, to make a personal, a voluntary effort to fight inflation, but they should not at the same time witness such wastefulness of public funds, all the more so that only a small fraction of the fraudulent transactions are made public. Therefore, to prove the determination of the government to put an end to those deplorable abuses, a widespread inquiry should be launched immediately, that the real culprits of those unacceptable manoeuvres be denounced.

Mr. Speaker, I should like to bring my remarks to a close by pointing out that the people would be driven to despair if the government were to continue to evade the issue. I sincerely believe in the honesty and sincerity of the vast majority of Canadians. It is often said that a people have the leaders they deserve. To my mind, I feel our people deserve better.

● (1620)

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should like to start by saying that I am sorry the hon. member for Regina-Lake Centre (Mr. Benjamin) had to head off to deliver those passports to Regina before I could address a few remarks, through you, to him about his contribution to this debate. It is somewhat interesting that on a motion that dealt with proprieties of conduct in public affairs, he found it possible to address himself totally to the question of proprieties of conduct in private affairs.

I hope his colleague from Broadview (Mr. Gilbert) will convey a message to him. He thought it desirable to speak some words in defence of the private enterprise system by way of giving it some advice. That was particularly touching since he is heading off to Saskatchewan, where not only does the provincial government, that belongs to the same party as he does, not think a great deal of the work ethic in terms of the ordinary sense of rewards and losses that go with it, but are setting a prime example of believing in taking from anyone who works and accomplishes something at any time that seems appropriate, leaving the losses with private individuals who put in their risk capital. I say that because it was a little strange to hear his flights of fancy about the private enterprise system, in face of that kind of endeavour.

The motion before the House was moved by the hon. member for Central Nova (Mr. McKay) and it raises a matter that members on all sides would want to take seriously at any time. The public is always concerned, and I am sure more so today than at almost any other period in our history, about the need for public affairs to be conducted in a scrupulously fair manner. They are insistent upon a high standard of conduct from government in the operation of matters of policy and the implementation of that policy. This government has been responding to that felt need by introducing a whole series of procedures and guidelines to assure, to the extent that it is possible to assure in any organization involving so many parts and so many people, that affairs are conducted according to the highest possible standards.

If there is increased responsibility on the part of government in this day to meet that proper public demand for high standards, I think there is also a high standard of responsibility demanded of politicians who represent constituencies in this House of Commons, particularly those who sit in opposition and who are therefore ordinarily engaged in criticizing and analysing. I think it is particularly important that in bringing forward criticisms or analyses, the most scrupulous conduct is in fact followed and observed.

I say this because there are some very important values in our society, and these values touch upon our very civil liberties: values such as the requirement of having proof before a proper court of law, the requirement of not subjecting persons to trial by innuendo or suggestion without charges first being established to the satisfaction of a law officer, whose duty it is to satisfy himself that there is the kind of case that warrants that kind of allegation to be put on the record. These are some very important principles, ones that I think all too often those who simply like to make news or to spread concern ignore at great peril to the foundations of our democratic and freedom-based system.

An inquiry of a broad-ranging nature is a technique that must sometimes be employed, perhaps to supplement other investigative techniques. But it is still true, and I hope members of the House understand this, that on the whole it is sound to allow investigative procedures to go forward in the usual way with experienced, trained investigators bringing forward matters for investigation, and then putting those matters in due course before a law officer of the Crown in order to decide whether specific action should be taken in relation to the matters originally alleged and now proved in a first-hand or prima facie way. These principles

were not lightly arrived at in our system, yet they are very important in protecting individuals who may be involved.

● (1630)

We have always, in this country of ours, been singularly fortunate in the quality of police investigation under the supervision of attorneys general across Canada and, indeed, in the quality of independence of attorneys general throughout the history of the country. That we have the best quality in these areas I think continues always to be important, and as we have them we should bear in mind that their strength of independence and integrity allows us to follow some of the time-honoured procedures that avoid the damage that can be done, damage both to individuals and, by the casting of innuendoes and aspersions abroad, to the system of government itself.

A government would be properly criticized at any time if it did not act promptly in relation to matters brought to its attention for investigation, whether it be misconduct, whether the police may be directly involved, or whether it be in the way of handling a particular matter or affair, in which case the proper road is to check the facts to see whether there was in fact an error, correct it where that can be done and take steps to assure that the system will avoid it happening again. These are the responsibilities of government.

We have before us a motion by the hon. member for Central Nova which refers to a number of supposed incidents requiring a degree of investigation and analysis.

Mr. Nielsen: Supposed?

Mr. Lang: I said to the hon. member for Central Nova, or about him, the other day that certainly compared to some of his colleagues—and I was at that point only putting it that high—he was one of the more responsible members of the House. I grant that in the ordinary course he in fact shows a high degree of responsibility. I hope that will continue to be the target for him, rather than to take advantage of a political opportunity to introduce confusion rather than light, attempting thereby to gain a political advantage rather than the real, important advantage of better public service through bringing direct attention to the problems which exist.

I was distressed when I saw a report the other day that he had said these matters had to be trotted out one at a time, one after another, rather than brought before the authorities, in a group in order that they could be properly handled and investigated. He wanted to bring them out one at a time in order that he could sustain the momentum of public comment on these activities. I say that is a wrong attitude and that any member who has information about any kind of misconduct, or any kind of information that is at all reliable, has a duty to bring that information immediately to the authorities for investigation, or to the government if that be the appropriate way of launching an investigation, or directly to the law enforcement authorities.

It must be an important duty of any member of this House and, indeed, any citizen of this country to bring that information forward at once. I think it was obvious that the hon. member for Central Nova brought forward some important information. In the case of Sky Shops, of course, the government's direct involvement was in relation to the granting of certain leases, first at Dorval and then at Mirabel, which involved that company. The government was not itself involved in the question of shareholding or dealings in the shares of that company.

There may be questions that arise out of the evidence that has come forward in that regard and, as hon. members know, immediately that material was before anyone in authority an investigation into these matters was undertaken. Indeed, the investigation was under way before the information was brought before the House by the hon. member for Central Nova. That, surely, is the kind of responsibility this government has in relation to matters that look as though something may be wrong or there may be some problem of conduct in relation to any particular action.

The famous dredging contracts are referred to, again, in the motion; I might say "dredged up", again, in the motion, although what was involved there was not, of course, the allegation of any wrongdoing on the part of the government. I would appreciate it if hon. members opposite would assist in the process of analysing the problem by saying that there was no evidence of any wrongdoing whatsoever on the part of the government in relation to dredging, but that certain matters are now before the courts as a result of investigations which were launched, again by the government. These investigations were begun before the allegations were put before the House by an hon. member opposite.

In terms of public duty, what the government has done in a case like that is to see that an investigation takes place, to see that if there are charges to be laid they are then laid by the appropriate authority, which very often is the attorney general of a province when criminal law is involved, rather than a federal minister who does not ordinarily enforce criminal law. That is an example, I think, of the execution of proper diligence on the part of the government in relation to a matter which arose as a problem.

As I say, it would be appropriate and I think it would be desirable, in the interests of understanding, when public authority is under attack and when there is a real sign of a problem or lack of diligence, that in those cases where there is no evidence of such an act it is noted by hon. members. Then there would be the avoidance of what in this motion seems to be an interest in a particular situation which the hon. member for Regina-Lake Centre could properly point out to the private sector and which does relate to the public sector.

Again, I suppose the reference to Air Canada and to the Estey report is of a somewhat doubtful nature in a motion relating to the conduct on the part of the federal authority although, of course, the corporation in question is a Crown corporation. Again, I know of no allegation on the part of anyone of any wrongdoing by the government. There were allegations or questions raised about certain matters or certain transactions, and the moment these came to light and to the attention of the government something was done. Indeed, in that particular case an inquiry specifically into the transactions—because it was, indeed, a Crown corporation—was instituted and a report in relation to that matter will be available as soon as it can be made public.

I have said, Mr. Speaker, that generally speaking the hon. member for Central Nova shows a high degree of responsibility. I note some instances where that sense of responsibility seems to have failed him in the pursuit of these particular matters. I wonder, for instance, what led him to introduce the other day in the House of Commons—on November 13, I believe—in a question relating to the production of papers, the reference to a supposed sugar transaction in the Barbados by an official associated at that time with Air Canada. The matter itself had in fact been investigated to the extent thought desirable by the Estey commission. There is no suggestion, in the reference, of any responsibility even by the management of Air Canada, let alone by the government, yet it was introduced in this spurious way.

I saw another reference to political donations having been made by a company involved in bidding on contracts. It turned out, of course, that the donation referred to was by an unsuccessful bidder, yet it was all wrapped up in terms of some kind of innuendo and allegation without anything being carried through. I think that is unfortunate. This is, of course, the very kind of question that can be raised and that this government has helped to put behind all of us involved in the political process with the introduction of new election expenses legislation and a totally new approach thereto so there can be no grounds for that kind of suspicion.

There is, again, an allegation in relation to gifts to certain employees of the government. Again the law is clear, and the appropriate approach in cases of any such indication or allegation is an investigation. Certain similar instances came to the attention of the government some years ago in relation to certain employees of the government. An immediate investigation was launched and as the investigation proceeded, the evidence, as is our practice, was turned over to the appropriate provincial attorney general for appropriate action.

The law is clear in the Criminal Code that gifts are not to be accepted by civil servants, from anyone, without the express, written consent of the head of the department. That is clear, it is strict, and it is a rule that has needed to be re-emphasized throughout the civil service. As a result of that particular series of incidents in 1972-73 a new set of directives was issued reminding civil servants of the strictness of that ruling, and reminding deputy heads of departments of the need to comment upon it in any way they felt necessary or desirable for the guidance of civil servants. This is another case where, therefore, the whole of the case is made to mesh with other things without quite being clear.

● (1640)

I do not know why the hon. member for Central Nova, in this motion, went into the question of whether or not the PTV vehicles were working superbly at Mirabel airport. This strikes me as another red herring. The information I have is that they are being competently operated. He referred, with amusement, to the one which did not operate at the time of the opening of Mirabel and suggested some mechanical incompetence. I am told that in fact a fuse blew on that occasion. It may be worthy of a small investigation, but hardly the linking of that with other matters as the hon. member has done.

[Mr. Lang.]

Perhaps worst of all today was the linking by the hon. member of allegations and discussions he has been putting before the House with respect to not only a hearsay statement but a hearsay statement reporting a hearsay statement which he attributed, after I requested the name, to the first individual who reported the hearsay to him. That is the kind of statement which surely deserves, if anything, police investigation. If it has the kind of relevance that deserves an investigation, it is the kind of thing that should be followed up in that way. Anything that can be stated by that person, or a source that can be found through that person, can be followed up by the police without these matters being put in an innuendo way, without any proof or follow-up, before the House and by persons who may, as in the case of several of the persons to whom the hon. member referred, have some reason for bitterness about not having been successful in a tender process.

The hon. member referred to the particular case of a Mr. Kohli. If it is true—and I will check that fact also, since so many of these thing turn out not to be true upon examination—that Mr. Kohli never had explained to him why he did not receive consideration of his tender, then it may be that there was some impoliteness and our procedures, in order to be perfectly polite, should be improved.

But it is clear that Mr. Kohli's tender did not in fact qualify within the grounds of tendering. The square footage to which he was referring in his tender was totally different from the square footage that was available and involved in the request for tender. It was for that reason his bid was not considered among, I think, the seven or eight which were left for consideration.

The way in which a particular bidding situation goes on is perhaps always complex. When the hon. member for Central Nova referred to the extension of the Dorval contract for the first time in this House, when the contract was extended to Sky Shops for an additional five-year period several years before its time ran out, it appeared to everyone to be a peculiar circumstance. Upon investigation it was discovered that the reason was the need for some construction to make the operation a reasonable one. Construction would take a certain period to be depreciated. The operation was one that existed in the Dorval airport in respect of a duty-free shop, a shop which would be less than significant once international traffic was transferred away from Dorval, and the plan was to transfer it from about 1974-75 to Mirabel from Dorval.

With that explanation, the mystery vanished and the situation was in fact a clear one from the point of view of the conduct of the department and the people involved in this transaction. It turned out that in that particular contract the renegotiation involved the raising of the rent which had to be paid by the lessee, even for the remaining three years or so, on a lease where from its inception he had a much lower rate of percentage to pay in relation to his gross revenue.

The case of the Mirabel contract has been raised. Here again, as I have said to hon. members, I will be very glad to discuss the question in detail, particularly in the forum which I believe is most appropriate, a committee of this House where cross-examination can take place and where witnesses can be present and examined. I do not under-

stand hon. members not wanting that kind of forum, when obviously they want to cross-examine. They appear only too eager to make some comments, although it is a little difficult to hear even what the Leader of the Opposition (Mr. Stanfield) is muttering at this particular point in time with regard to this issue.

Before a committee of the House I will be very glad indeed to look at the particular contract and the granting of the concession at Mirabel. As was said before in the House, it was a situation where an analysis of the tenders showed there were different levels of tenders and different levels of the likely rate of return on the basis of the percentages which were offered by way of rent for the service. A couple of issues which are pretty important were involved in that particular granting of tender. One of them was referred to by the hon. member for Central Nova when he said that it has been the practice, in the granting of duty-free shop concessions in relation to liquor, to pay attention to the licensing authority in the province in which the international airport is in fact located.

I think that particular consideration does deserve re-examination. I have asked that we re-examine the question of whether or not the tendering procedure should be related in any way to the licensing provisions of the provincial liquor licensing authority. Hon. members will appreciate how it may have come about that the provincial authority generally in charge of licensing for the sale of liquor was given the consideration of being the licensing authority as well at international airports. I am inclined to agree with the hon. member for Central Nova, that constitutionally that is not required; but having in mind federal-provincial relations, it was an understandable development.

It is in that way, for instance, that at the Toronto airport the duty-free shop for liquor is actually operated by the Ontario Liquor Board and there, as I understand it, this was done without tender and through negotiation because of the specific desire on the part of that liquor board not to have anyone but itself involved in that sale. I think that matter does deserve review because it had an impact upon the tendering process in the Mirabel case. It led, indeed, to a conclusion that one particular bidder, largely a foreign-owned bidder, should not be considered as one of the contenders for the contract because of the policy of that particular provincial liquor board which required a higher degree of Canadian ownership than that for a successful bid.

I am not trying to forecast how we, as a federal government, would or should have concluded that particular matter, or what conclusion we should have arrived at concerning whether or not a foreign bidder should have been acceptable. But I do say that in that particular case it was a consequence of relying upon the approach of the provincial liquor licensing authority that led us not to seriously consider that particular bid along with the others which were evaluated and re-evaluated with a good deal of care by a committee of officials before one bid was selected.

Mr. Speaker, in short, I say to hon. members that we have attempted at every point we can to pursue investigations into any matters which are brought to our attention about problems, whether they indeed be picayune, or a particular vehicle not operating up to complete standards. You will recall, Mr. Speaker, that earlier hon. members were having some fun over whether or not the runways were properly built. Investigation confirmed to me that they are in fact of a very good standard indeed. That kind of red herring is pursued by us as we try to cater to the particular whims of members opposite regarding what should be investigated.

● (1650)

When it comes to more serious matters, matters of alleged impropriety, then I think that not only must we act with dispatch but it is important that hon. members opposite, as any citizen in this country, co-operate by bringing to the attention of the authorities all the information they may have that bears on the question, and bring it forward as quickly as possible. Then, when investigations are appropriate, this government will ensure that they are carried out with dispatch. In the ordinary course we will rely on the procedures of investigation by law enforcement officers, and if criminal matters are involved we rely upon the decision of officers of the Crown, attorneys general in this country, as to the steps that should be taken with regard to that matter.

We will not want, ordinarily, to share with hon. members or in any way to approve what hon. members may do if, by using this House as a forum and a protection or in any other way, persons are smeared by innuendo or involved in a trial of reputation without a proper investigation. That is not according to the traditions of this country and of our system of law, and I urge all hon. members to co-operate with us in ensuring that the proper steps will be taken and that proper investigations will be carried out. On behalf of this government, I can assure hon. members that whenever matters are brought to our attention the appropriate investigation and action will be taken, and we will always be glad to lay that action record before hon. members and before the public and to stand on it.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Okanagan Boundary (Mr. Whittaker)— Transport—Freight rates—Disparity between rate on fresh fruit from Okanagan to eastern Canada and rate from state of Washington; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—External Affairs—St. Pierre-Miquelon—Discussions with France on determination of offshore resource rights; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)— Transport—Government intentions with regard to use of Canadian ships to move oil from Arctic.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—PUBLIC CONFIDENCE IN GOVERNMENT

The House resumed consideration of the motion of Mr. MacKay:

That this House, noting the public is concerned about recent disclosures of improprieties in the conduct of public affairs, as evidenced by events resulting in criminal prosecutions with respect to government dredging contracts, the Estey Air Canada inquiry, and disturbing reports about government leasing concessions of airport duty-free shops, urges the government to take immediate action to restore public confidence in the government's efforts to control conflict of interest and other improprieties of public officials, most especially with regard to government contracts and leasing procedures and practices.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I heard the sanctimonious utterances of the Minister of Transport (Mr. Lang) a few moments ago and I am sure there was not a dry eye in the House. It reminded me very much of the statements that were made in another capital city not too long ago by the president of that country who spoke with equal sanctimoniousness about those things which he said did not exist.

The minister has had to leave the House to go to an appointment, and I understand that; but I want to ask him, through you, Mr. Speaker, about a couple of the statements he made. He indicated that the government moved with great speed in the case involving Air Canada. They appointed a very reputable high court judge in Ontario to investigate that case. I want to ask him what is the difference between that case and this case, in terms of the obligations that are before the public. What caused the government to move so quickly in that case, and what has caused them not to move so quickly in the Sky Shops matter? What is the difference? I suggest there may well be a significant difference, the difference being that somewhere in the net is caught one of their own.

When the Minister of Transport talks about the equal hand which he will apply to each case, I say to him that he is talking as if he were Otto in Wonderland, because that is not the case at all. There is perhaps a difference between the Air Canada case investigated by Judge Estey, a good investigator appointed with such speed, and the case involving Mirabel with which the hon. member for Central Nova (Mr. MacKay) has been dealing. In the Mirabel case, the police saw fit to raid the office of a senator in this building and they saw fit to raid his home. That is a considerable difference and it adds another element in this case.

I am saying to you, Mr. Speaker—and let there be no doubt about it—that if there was justification in the case investigated by Air Canada through Mr. Justice Estey, then this case involving a member of the Senate cries out for investigation and for action. There are differences, and let us not fool ourselves in this place that a defence can be made to a legitimate request by a member who is generally regarded as having performed a heroic act in bringing forward this case with such restraint. Let us not be fooled that any defence can be made by attacking the integrity of the hon. member for Central Nova.

[The Acting Speaker (Mr. Turner (London East)).]

The minister spoke of civil liberties a few moments ago, and of the right to protect them. I agree with him; there is not a member of the House who would disagree with him. But one of the liberties of a free citizen in a free society, in a parliamentary system, is the right to the truth. I am saying to you, sir, and to anyone who would defend the stonewalling that has gone on in the House in the question period, and lately by the Minister of Transport, that it is denying not only to the House but to the people of Canada the right to the truth. It is about time we stopped doing that and realized that the House is not a place where before a member can stand up he must prove his case beyond a reasonable doubt. The Parliament of Canada is not a court of law and it is not a public inquiry, but when a member of parliament brings forward information such as the information that the hon. member for Central Nova has brought forth, then the government has a duty to act, not to evade or avoid because one of their own may be caught in the net. They have a duty to give more than the lip service just given by the Minister of Transport on the guidelines of conflict of interest. The papers on the guidelines on conflict of interest have been stuck in a committee for over a year.

Mr. Blais: That is not so.

Mr. Baker (Grenville-Carleton): If I am wrong, please correct me. That delay almost provides the grease for the skids to make respectable the avoidance of responsibility which the hon. member for Central Nova has asked this government to take, and which they have refused to take thus far. From what the Minister of Transport said today, they will probably continue to refuse. Let there be no doubt about it, they do a disservice to themselves, to this parliament, and to the whole idea of public trust in public life. Let us make no bones about it, and let us call it what it is. It is important, because it is the very foundation stone of parliamentary government, that it be operated by reasonable men of integrity, that everyone act reasonably, and when situations cry out for investigation that they be investigated. It is an important relationship.

● (1700)

On December 10, 1974, the Leader of the Opposition (Mr. Stanfield) put this relationship forth very succinctly. He said the following:

We do not live and work in times when the public feels really confident about any so-called honour system which is supposed to be operating in politics and in high levels of government. Why encourage further erosion of that confidence, when the appearance of proper guidelines could start to turn things around and help to restore some confidence? Public confidence is a precious commodity, almost as precious as democracy itself, because without it the democratic system just cannot work. To encourage it requires firm action and proper priorities.

The confidence of the public has not been encouraged, and firm action and proper priorities have not been forthcoming with respect to some of the matters in this motion. The Giguère question, the findings of the Estey report, and the SIU situation all point to examples of the way the Liberal government has allowed public confidence to be undermined.

This parliament has dealt with conflict of interest guidelines to a limited extent. The conflict of interest guidelines have been set forth as follows:

Conflict of interest denotes a situation in which a member of parliament has a personal or a private pecuniary interest sufficient to influence, or *appear* to influence, the exercise of his public duties and responsibilities.

The proof of conflict of interest in this particular instance rests on the monetary or material gains influencing public or political decision making. The case of Senator Giguère brings into question not only the impropriety of a member of the Canadian parliament, but also the inability or ability of representatives to distinguish, at least in some instances, between the public and private interest.

Again the government has offered no leadership. For a Canadian Senator to accept stock transfers at almost an honorific price from a company whose contract is exclusively contingent upon government decisions not only raises the question of conflict of interest, but also casts in doubt the ability of a member to discern what is a conflict of interest. There cannot be any denial of that, even though many of us would like to say that we could deny it. In short, even if the minister is not culpable, and even if he did not know there were huge monetary gains to be made from such a stock transfer, the situation should never have been allowed to happen. In that it did happen, and in that the government's own guidelines do not make it clear what is a conflict of interest, the government itself becomes culpable of undermining the public trust, of which I spoke, and to which the minister gave lip service just a few moments ago.

It has been admitted by the government that the provisions which have operated heretofore are both outdated and woefully lacking in meeting with public expectations of governmental integrity. At present members of parliament are prohibited from accepting fees relating to any matter before the House, from entering into contracts with the government, from holding shares in a company which wins a public works contract, and from voting on a matter in which they have direct pecuniary interest. There is no mention of stock which the family of a member of parliament may hold. At present there are no official regulations requiring disclosure of interests.

Perhaps this government has not been the best, but another prime minister dealt with the situation. In 1964 the late Prime Minister Pearson attempted to set down a code of ethics for his ministers and their departments to follow.

An hon. Member: After a whole bunch of scandals.

Mr. Baker (Grenville-Carleton): After significant trouble, as a matter of fact. I will quote from a letter he wrote to his cabinet colleagues as follows:

It is by no means sufficient for a person in the office of a minister—or in any other position of responsibility in the public service—to act within the law. That goes without saying. Much more is required. There is an obligation not simply to observe the law but to act in a manner so scrupulous that it will bear the closest public scrutiny. The conduct of public business must be beyond question in terms of moral standards, objectivity and equality of treatment.

How does that stand in the face of what we know and in the face of what has been disclosed by the hon. member for Central Nova? How do we justify the fact that this paper on conflict of interest guidelines is still stuck in the morass of our committee system? In the case of Senator Giguère it is well known that he is intricately involved in Kebec Restaurants and AFC Limited. These two organizations are inextricably bound up in the transportation industry and with government tenders.

When asked if Senator Giguère was violating the present guidelines on conflict of interest, the Prime Minister (Mr. Trudeau) on November 5 replied, and I quote:

—it is not apparent to me that there has been conflict of interest.

An hon. Member: How would he know?

Mr. Baker (Grenville-Carleton): I ask the question, how would he know? This stance, and the statement of the Prime Minister are indicative of the weakness and inadequacy of current government proposals and of the nonchalant fashion of the government in handling this issue.

With regard to the Minister of National Health and Welfare (Mr. Lalonde), he said he was looking after the interests of his constituents. He claims that when he was acting as principal secretary to the Prime Minister he handled the Sky Shops request in a manner similar to that in which he would have handled any constituent's request.

If the government House leader or the hon. member for Nipissing (Mr. Blais) will not remind him, the minister should be reminded of the position of Lester Pearson and the Liberal government on this matter. I quote again from the letter of the former prime minister:

In order that honesty and impartiality may be beyond doubt, members of Ministers' staffs, equally with ministers, must not place themselves in a position where they are under obligation to any person who might profit from special consideration or favour on their part, or seek in any way to gain special treatment from them.

In turn, if the Prime Minister claims that he gave his secretary the go-ahead—and apparently that is what he did claim—I should like to remind the House of what the late Prime Minister Pearson said about that kind of activity. He said the following:

It is perfectly proper—indeed it is desirable—for members of ministers' staffs to be responsive to complaints as to delays in procedures or unfairness of treatment. They should bring these to the attention of the minister, or to that of the proper officials in a department. But in no case must a member of a minister's staff—or any other public servant—seek to gain for a particular person treatment that would not be accorded to any citizen . . . There can be no special treatment on the ground of personal acquaintance, sympathy or anything of that kind. Least of all must there be any suspicion of special treatment when there is cause to believe that a violation or evasion of law may be in issue.

What I am saying is that there is sufficient evidence in this case to ask to what extent there was involvement, and to demand an answer with respect to this matter, having regard to the involvement of the particular member of the other place with the matter in question.

We have demanded action on conflict of interest matters. This is the second time this party has allotted an opposition day to this subject. Other parties have also shown concern. The hon. member for Winnipeg North Centre (Mr. Knowles) has a bill on the books respecting the disclosure of financial interests by senators, members of the House of Commons, and certain other persons. I hope it does not die a slow death, or I hope its death is much quicker than the breathing into life a public inquiry on this matter has proven to be.

● (1710)

I challenge the government to undertake its obligations for the sake of this institution, the members in it, and every public person whose name has become involved—for the sake of the other place and its integrity. I say do not attack the hon. member for Central Nova as your defence. Do not rely on the sophistry of that kind of defence. I ask you to take your courage in your hands and, for the sake of those other things I have mentioned, bring on a public inquiry before a judge. We would be satisfied with Chief Justice Estey or any other reasonable judge. Do not tell us that disclosure to a parliamentary committee under our rules means anything but a continuation of the kind of stonewalling that has gone on here in another form.

Is there any member of parliament who will say he is opposed to a public inquiry? Is there any member of parliament who knows something about the case that we do not know that would make him opposed to a public inquiry? If anything is wrong, open the books; if anything is wrong, investigate; if anything is wrong, find out. Do not sit on your hands and attack a member of parliament for bringing forward something which it was his duty to bring forward. That, however, is the whole of the case of the government, Your Honour.

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, it was my intention in participating in this discussion to try to limit my comments to the function I serve as chairman of the Standing Committee on Privileges and Elections and, pursuant to the motion of the hon. member for Central Nova (Mr. MacKay), to take up some parts of the subject of conflict of interest. The hon. member has since left the chamber.

Before I go into any detail in this regard I should like to bring to the attention of the last speaker, the hon. member for Grenville-Carleton (Mr. Baker), that he may have some concept of the conflict of interest legislation in the Canadian House of Commons that is significantly different from my own, and possibly different from that of a number of other individuals.

First of all, to correct the hon. member for Grenville-Carleton, the conflict of interest legislation has not been stuck in any committee for a year. It was referred to committee on December 10, 1974; there were 21 meetings at which, as the hon. member should know, a considerable amount of effort was put in by all members, and the committee's report was tabled in the House on June 10, 1975.

The second correction I should like to make to the hon. member's remarks is that the conflict of interest guidelines are not government guidelines any longer; they are recommendations of an all-party committee which unanimously supported them together with the amendments and the deletions which we proposed.

The third correction is that unfortunately the hon. member is of the opinion there is no legislation which proscribes the holding of stock in certain companies by individuals related to members of parliament, whether of the House of Commons or the Senate. I can assure him that there is indeed such legislation, and the conflict of interest guidelines proposal No. 11 specifies these matters at great length.

[Mr. Baker (Grenville-Carleton).]

Mr. Baker (Grenville-Carleton): You make my case stronger.

Mr. Blaker: I agree with the interjection of the hon. member for Grenville-Carleton. He has been trying to make his case stronger. If he deems it suitable to refer to the Minister of Transport (Mr. Lang) as "Otto in Wonderland" he will not object to being referred to as "Wallie in Wonderland".

I said earlier, Mr. Speaker, that I wanted to restrict my comments to the area of conflict of interest because of the work of the committee, and hopefully to make such comments a contribution to the discussion whether for the benefit of interested members generally or for the public.

My initial comment would be that, give or take the varying comments made on either side of the House, including those of the hon. member for Grenville-Carleton to the effect that this side is attacking the hon. member for Central Nova, I should like to suggest the opposite.

I happen to represent the riding in which is found the city of Dorval. If the hon. member for Central Nova were here he would confirm that we have had some discussion on a shared interest in this problem. Hopefully these discussions will result in a solution.

The motion reads in part:

—urges the government to take immediate action to restore public confidence in the government's efforts to control conflict of interest and other improprieties of public officials, most especially with regard to government contract and leasing procedures and practices.

I would just say that members who are interested in pursuing the subject will find that the Standing Committee on Privileges and Elections did go into that topic in considerable detail. The recommendations go substantially beyond those laid out in the original green paper on conflict of interest.

I should like to assure all hon. members and the public that some of the most stringent regulations to be found in any western democracy are in the Canadian conflict of interest legislation. It is my understanding that the legislation in the form of amendments to existing laws, as well as new legislation, will be ready some time next spring.

That brings me to a problem which has been referred to by the Minister of Transport and in relation to which any discussion of conflict of interest deserves at least a momentary review.

One of the remarkable problems we face in the House of Commons and in the news media is the apparent capacity, whether it be by members or the news media, to level accusations without fear of having the same burden of proof or responsibility placed upon the accuser as is placed upon the individual who is accused.

I make no suggestion that such is the case in the remarks made earlier today by the hon. member for Central Nova. I do point out, however, that we face a significant problem if we permit the general principles of justice, which have guided our courts over centuries, to be abandoned in favour of changing the forum or arena either to members acting by themselves or as members of the House of Commons, or to trial by the news media. In both cases the accused has no opportunity for a reasonable, fair hearing. I do not know of any way we can limit this right on the part

of members, but I do not think anyone would want to limit them in raising matters such as the Dorval and Sky Shops affairs.

I would remind the House that a free press and free news media have meant publications like the *National Inquirer*, and others which most of us would agree are less than tasteful, and which do not accept some of the responsibilities that go with a free press. We support a free press on the grounds that it is the best way to get the best possible contribution from an independent press.

In the same way, I think we have to support the concept of the investigations carried out by the hon. member for Central Nova, but always with the understanding that it is a privilege given to us to accuse without danger of retribution. If we abuse such a privilege, then we will be guilty of something called muck raking.

Other than that, I want to assure hon. members that other areas were covered in the matter of conflict of interest. According, in my view the government's action to date meets the demand of the motion which asks the government to take certain action.

● (1720)

We have spent considerable time studying conflicts of interest. As the Leader of the Opposition (Mr. Stanfield) said so well in the question period one day, political practices acceptable ten or 20 years ago are no longer acceptable. The difficulty with drawing guidelines to cover conflicts of interest is that our views on conflict of interest are constantly changing. It is difficult for members of the House at large, those serving on the committee on Privileges and Elections, the media, or the public to agree at any one time on what constitutes improper behaviour, or what proper behaviour ought to constitute.

I note that the hon. member for Peace River (Mr. Baldwin) suggested to the Procedure and Organization Committee this morning the establishment of some procedure in this House to provide for quick impeachment of members. Possibly that is one technique the House ought to consider.

Amendments to be brought forward, either in the form of amending bills or new laws, will prohibit the holding of dual electoral offices, prohibit the members' or senators' participation in any contract made with any government in Canada, prohibit the participation by members of parliament and senators in the management of any company which has entered into a contract with a government, require members of parliament to declare their interest in any subject matter under debate, and prohibit members from voting on a bill with respect to which they have an interest. I underline and stress strongly, for the hon. member for Grenville-Carleton who has alluded to this subject, that, without question, the regulations will pertain to the families of members of parliament and of senators.

In order to assure the population that members of this House are determined to be guided by such regulations and laws, we have suggested guidelines which will recommend that any citizen of Canada may go to the Federal Court and ask the court to examine any particular issue which relates to the behaviour, or participation in any contract, of a member of parliament or senator. The law will require the attorney general of the province to proceed with the case, on its merits, on behalf of the citizen; should the attorney general refuse, the court will be obligated under the new law, to report the action to the Speaker of the House of Commons or to the Speaker of the Senate.

As I was surprised about comments made on the government's stand on conflict of interest, I shall read to hon. members a number of suggested provisions contained in the report tabled by the Standing Committee on Privileges and Elections. The part I shall read is headed "Financial Interests". It says, as recorded on page 24:5 of the Minutes of Proceedings and Evidence of the Standing Committee on Privileges and Elections:

> It is recommended that the proposals entitled: 'Financial Interests' be expanded to the 'Office of Registrar', whose existence is intended to assure the public of the determination of members of parliament to avoid potential or actual conflicts of interest.

Here let me correct a misapprehension raised by the hon. member for Central Nova concerning regulations and restrictions which ought to apply to members of the House and senators. The hon. member suggested that the guidelines applying to ministers will not be more strict than those applying to members. His information is not correct. The guidelines for ministers will be more strict than those with respect to members. I continue quoting:

> Your committee agrees with the statement in the green paper that 'Members may increasingly find themselves in situations for which no adequate rules or guidelines exist to aid them in ensuring that their conduct respects their fiduciary duty'.
>
> Accordingly, your committee envisages the function of the registrar as being:
>
> (a) The registration of an annual statement of the pecuniary interests of each member of parliament, and the making and filing of records pertaining thereto;
>
> (b) The provision of confidential advice to members of parliament, at their request, on any matter that may concern a possible conflict of interest of the member.
>
> (c) The annual reporting to the House of Commons of a list of those members of parliament who have complied with the requirements of the law relating to registration and/or disclosure.
>
> To assure the public that members of parliament will indeed take the steps necessary to avoid conflicts of interest, your committee recommends that the draft legislation and where necessary the standing orders be so amended as to reflect the following proposal:
>
> Every member of parliament shall, within six months of assuming office and on May 31st of each year thereafter, file with the registrar, the following information, together with such additional information as the registrar may require:
>
> (1) his or her taxation returns for the year current or preceding;
>
> (2) his or her financial and pecuniary interests, direct or indirect, of every kind and nature whatsoever, including such interests of the member through his or her spouse and/or dependent children, as well as trusts of which he or she or his or her spouse and/or dependent children are the trustees or beneficiaries.

I put it to you, Mr. Speaker, that members will be hard put to find tougher conflict of interest legislation anywhere in the world.

We shall appoint a registrar. Members will be obliged to deposit with him their taxation returns, together with details of their own financial assets and, in addition, those applying to their spouses, children, trustees and beneficiaries. Therefore on the face of it the government will more than meet the requirement referred to in this motion. It will introduce good conflict of interest legislation. True, there are loopholes, and I will not take the time of the House explaining the details. Amendments will be made to

the Election Expenses Act and conflict of interest guidelines.

I remind the hon. members that the report was unanimous and participated in by members of all parties. In the view of the committee and some observers, it constitutes an outstanding guideline for members and ministers who may find it necessary to avail themselves of the services of the registrar in order to pattern their behaviour in a manner acceptable to their colleagues in the House and to the public as well. Therefore I may disagree with the hon. member for Central Nova about a certain portion of his motion, as I insist that the government will propose an exceptionally good set of guidelines.

Speaking as a member whose riding is involved in one of the topics discussed, I appreciate the hard work of the hon. member for Central Nova and recognize his contribution to the betterment of parliament.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I once knew a Liberal member of parliament whose name I will not mention, he no longer being with us, who, while a potential shareholder or subscriber to a company he sought to have incorporated by act of parliament—the company was subsequently incorporated and he became a shareholder—sat in this House, voted on that company's incorporation, and sat in committee and did the same, because he was privy to information showing that the company was to be awarded a substantial government contract from which he stood to gain much advantage. There is no difference between that situation and the one here, and I think members will agree that it was really wrong for that member of parliament to be so involved.

● (1730)

What really disturbs me is people like the Minister of Transport (Mr. Lang) rising and complimenting the hon. member for Central Nova (Mr. MacKay) on the integrity with which he spoke and presented his case, while at the same time undercutting him. The hon. member for Lachine (Mr. Blaker) did this too, in a very nice way. I was waiting to hear, for the first time, the allegation of muck raking raised in this debate. And, indeed, it was raised. That is another problem encountered by the opposition when we raise something like this. We encounter scorn, skepticism, and scoffing from members on the government side because those members do not want anything embarrassing to be raised, anything which might muddy the waters.

Our responsibility on this side is very clear, as I see it, and I have had some small experience in raising matters such as this in the past. The event of late 1963 led, in my view, to the publication of the letter of the then prime minister on November 30, 1964, to all his cabinet colleagues, portions of which have been quoted by the hon. member for Grenville-Carleton (Mr. Baker). Yet the caution we have received from the Minister of Transport and the hon. member for Lachine was, in effect: do not take advantage of this privilege which members of parliament are granted to raise matters with immunity in the House knowing we can do so without fear of retribution—I shall have something to say about that in a moment—and because the accused, or whoever is being spoken of in whatever fashion, is not here to defend himself or herself, as the case may be.

[Mr. Blaker.]

There are not many members left in the House, certainly on the other side, who were around in 1963 when these matters were raised and followed up throughout the next year. It may have been a coincidence, but with respect to this possibility of retribution, and opinions which members may express about other members raising matters such as this without proof positive, the belief among members opposite that we over here might, perhaps, raise matters such as this without fear of retribution is quite false.

By way of illustrating this proposition I might say that prior to the event of 1963 in which I was involved, I had occasion to discuss with the then minister of justice a certain case involving two employees of the Department of Indian Affairs and Northern Development. After certain matters were raised in the House, matters which were very embarrassing to the government and which caused resignations and, indeed, prosecutions—one person, at any rate, was found guilty of offending against the provisions of the Criminal Code—the full weight of the Government of Canada descended upon those unfortunate employees of the Department of Indian Affairs and Northern Development. They were both fired and prosecuted in the courts.

In the Supreme Court, the Supreme Court judge made the remark at that time, with respect to the prosecution of these individuals, that had he himself been in their position he would have done the same thing. But that did not satisfy "the Crown"—I put the word in quotation marks. They pursued the matter through the Court of Appeal on the basis that the judge had applied wrong principles, and were successful in getting a substantial fine imposed on those two civil servants.

What was their crime? Their crime was taking money from one vote intended to be applied for welfare for the Indian people and using it to build houses for Indian people under another vote. That was their crime against the Financial Administration Act. It is true this was not retribution against the individual member of parliament, but it certainly smacks of serious retribution to my mind. I do not have to say more with regard to the caution to be exercised by members on this side in terms of what they might take to be retribution. The wrath of the government did not stop with those two civil servants at that time.

Some 12 years having passed I can speak of these matters now dispassionately. I might say I have not spoken of them to other members of the House in the detail I have now disclosed. However, coincidentally, one might say—I, for one, do not believe it—a short two and a half months after the government had suffered serious embarrassment at my hands involving the resignation of ministers, parliamentary secretaries, and what have you, the full weight of the Department of National Revenue descended upon my shoulders.

Notwithstanding the fact that certain transactions in my business had been fully disclosed to the Director of Taxation in my district, and his approval obtained for these transactions, a re-assessment was made by officials in the Department of National Revenue, coincidentally only two and a half months after the serious embarrassment suffered by the government. The amount involved was the substantial sum of approximately $25,000. The re-assessment was appealed by me and, in substance, the case was won by me before the Tax Appeal Board. But they were not

happy to stop there. They meant to nail my hide to the mast, so they tried again, this time not for a mere $25,000; they upped the ante by some $29,000 a few months later.

I wrote to the minister of national revenue at that time suggesting that what was happening was pure harassment because I, as a member of the official opposition, had had the temerity to raise certain matters in 1963, and I stated that unless the harassment ceased I would make the affair public and raise it as a matter of privilege in the House. The minister, I suppose, gave certain directions because the Department of National Revenue called off their dogs and the re-assessment was withdrawn.

That is an illustration of the extent to which the wrath of government can fall on the shoulders of members of the opposition if they have the rashness to raise certain matters in the House. The suggestion of muck-raking or smearing reputations is a very poor device, especially coming from members opposite who may one day—I say just "may"—find themselves on this side of the House, faced with the same kind of duty and responsibility as was so ably carried out today by my hon. friend from Central Nova.

Instead of engaging in the kind of platitudes voiced by the minister today I suggest he could more usefully have used his time by answering the questions which are oustanding on this matter. He suggests there are logical explanations for the granting of the extension of this lease to Sky Shops. A contract which still had four years to run acquired suddenly a five-year extension after it had been in existence for only a year. He told us the reason for this was the need for reconstruction work—there was a space problem and that a rate was to be renegotiated. That strikes me as being very strange, coming from a minister who should know better.

● (1740)

I recall a debate that we had a few years ago on the Prairie Grain Stabilization Act, or some such legislation, where $100 million was being illegally held back from the farmers of this country. A statute specifically spelt out a mandatory responsibility on the minister through whom the Wheat Board reported to distribute those funds as head of the Wheat Board. The minister stood up, this ex-dean of one of the law schools of this country, and tried to convince us that the word "shall" as used in the statute meant that he had some kind of discretion. I could not believe my ears then, and I cannot believe my ears today when the minister says that he believes this is the real reason.

The minister says that members have a responsibility to place before the government all the necessary evidence and information upon which the government can act. That is what I did in 1963, before the matter was raised in the House of Commons, during a discussion of the estimates of the Department of Justice. But nothing was done. Indeed, upon being questioned the government was given the opportunity by the now hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and I to tell members of the House what the government was going to do about the situation that was then raised. But the government ducked. It pulled the covers over its head, and it was only then that we exposed the whole material.

What more does the minister expect from the hon. member for Central Nova, who has provided the minister with documents until they come out of his ears? The minister could not even find certain important information, namely, the liquor contract with the Quebec Liquor Board, so my hon. friend from Central Nova supplied it to him. All the time the Minister of National Health and Welfare (Mr. Lalonde) had a copy of that document in his possession, supplied to him by Mr. Lapointe, one of the principals involved in this what I think is a very sorry and sad mess. How much more disclosure does the minister expect before some action is taken?

Investigations by the RCMP are fine as far as they go, but investigations were undertaken in 1963 by the RCMP. The RCMP followed the course suggested by the Minister of Transport and placed information before the law officers of the Crown, who gave an opinion. The then minister of justice rose in his place and said that their advice was that no criminal offences had been committed; in other words, whitewash it; suppress it if is embarrassing. Subsequently a very distinguished jurist from the province of Quebec differed with the then minister of justice and did in fact find that criminal offences had been committed. I refer to a royal commission specially set up by the government because it was unable to resist the pressure any longer.

The same situation obtains here. The circumstances are such that the matter cries out for a public inquiry. You cannot hide behind the subterfuge of a police investigation carried out by responsible and able police officers, because the truth may not surface if it is politically embarrassing. That is a political fact of life, one of which I have had first-hand experience. It has happened before. If a highly placed official or a government is going to be embarrassed by police investigations, then the police investigation will not see the light of day. This is why the situation cries out for a public inquiry.

I can tell hon. members opposite what the police investigation is going to find. It is going to catch the poor little employee in the Department of Transport who accepted as a gift a pen and pencil set while some guy who makes $95,000 in a few weeks is allowed to get away with a serious conflict of interest. That is not what I understood a very highly respected prime minister of this country to have spelt out in letters to his cabinet colleagues on November 30, 1964. What I understood that prime minister to say was that this kind of conduct was reprehensible and wrong, and that it would not be tolerated by the government.

All we have heard today from the Minister of Transport is excuses. What have we heard from the Senator himself? According to the *Globe and Mail* for Saturday, November 8, 1975 he said:

> What is wrong with having a senator do a little business now and then? Do Canadians expect senators to be drawn from the ranks of the Salvation Army or something?

That is his attitude.

Mr. Knowles (Winnipeg North Centre): Might be a lot better if they were.

Mr. Nielsen: I think so. I am one who is on all fours, if I may express a personal view here, with the efforts of the

hon. member for Winnipeg North Centre (Mr. Knowles) to have the Senate abolished. Conduct like this certainly does not generate any support in the minds of the Canadian public for the idea that the Senate is a useful body performing a useful task on behalf of the Government of Canada.

Mr. Paproski: It is a retirement fund.

Mr. Nielsen: Yes, a nice retirement fund. What I really find reprehensible about this whole matter is this kind of reaction by the Senator, coming at a time when the government is asking everyone to tighten their belts to fight inflation. The government wants everyone to abide by limited wage rises and wants all small businesses to abide by limited price increases under rigid control, while at the same time, because a Senator has friends in high places, he is able to make $95,000 within a few weeks. One can forgive the average Canadian Joe for wondering what part of this $95,000 was retained by the Senator, who has been referred to as one of the chief bagmen of the Liberal party and—

The Acting Speaker (Mr. Turner (London East)): Order. I regret to interrupt the hon. member but his time has expired. He may continue with unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I listened with interest to the speech of the hon. member for Yukon (Mr. Nielsen) because I was not here in 1963. I listened to his recapitulation of past history with a great deal of interest, and although the information I have obtained is second hand it does not match his information in all particulars, I can assure you, Mr. Speaker.

I wish I had also received from the hon. member some additional information relating to the motion under discussion. We have heard additional arguments very ably presented, but there was not a tittle, as they say, of additional information presented by the hon. member for Yukon. No additional information was bestowed upon the House upon which the arguments that he mounted were based.

I searched with a great deal of attention for any indication of a rebuttal of the explanation offered by the Minister of Transport (Mr. Lang), but I could find none. There was a different interpretation, Mr. Speaker.

● (1750)

Mr. Nielsen: Would you like one?

Mr. Blais: There was an explanation given by the Minister of Transport of all the allegations presented by the hon. member for Central Nova (Mr. Mackay). He offered an explanation which I would suggest is acceptable to this House and founded on the truth.

Evidently my friend was not satisfied with the explanations given, and that is his right, but I take strong exception to his attempting to reinforce his arguments, not by new evidence or facts, but by dragging all the facts which were brought out back in 1963, smearing the whole picture with additional innuendoes of 1963 origin. That is not a fair method of proceeding with an argument. There has been a great attempt to smear the government by alleging that in fact we were accusing the hon. member for Central Nova of muck-raking. That is not a term anyone on this side of the House employed until the hon. member for Yukon used it.

Mr. Nielsen: That is not correct. Mr. Speaker, I rise on a question of privilege. The record will show that the hon. member for Lachine-Lakeshore (Mr. Blaker) used the expression before I did, and had he not done so I would not have mentioned it myself.

Mr. Blais: There was no implication that the term was to be applied to the actions of the hon. member for Central Nova, and there was no indication that the hon. member for Central Nova was doing anything but his duty. There was an indication by the minister that perhaps sometimes he was a bit over-anxious, and that some of the procedures being followed were those he ought not to have followed, but there was no such indication or accusation. Let me suggest to the hon. member for Yukon and the hon. member for Grenville-Carleton (Mr. Baker) that the suggestion that there are accusations in respect of the hon. member for Central Nova is completely incorrect.

This government and this parliament stand on their records, and I include this parliament in having sought to achieve greater security of our own reputation by enacting and passing guidelines on conflict of interest. There are also attempts, which other members will deal with, to increase access to information so as to make our roles more meaningful. No one can suggest that the government is sandbagging or stonewalling in any material fashion or, indeed, at all.

The hon. member for Yukon has had his experiences, and I am sure he locks them deep within himself. He is aware of the facts as he sees them. I am not able to contradict him because I was not here at the time. All I know is that today the facts are not as he alleges, nor are they as alleged by the hon. member for Central Nova.

An explanation has been offered by the Minister of Transport in direct response to the two main allegations upon which this motion is founded. The first was that in fact there was an absence of an investigation in respect of the Sky Shops matter, and the minister indicated that in fact an investigation was proceeding even before the hon. member made any accusation. The second point on which this motion seems to be based, because it is the only other matter that has been advanced, is that a statement was made by some unknown person to some other party who is not willing to lend any credence to the statement by declaring his intention to make it public.

That statement is double hearsay and the minister rightfully said that it ought not to be accepted. The hon. member for Central Nova indicated that the statement could be true or might not be true, but he was not in a position to support it. The minister indicated that this was a proper and responsible allegation that should be investigated, and that it is presently being investigated.

The other matter which gives me concern is the complete balderdash that we received from the hon. member for Grenville-Carleton. For a deputy House leader not to have known that on a matter as important as conflict of interest

the Committee on Privileges and Elections had submitted its report to this House, and for him not to have done the proper research to find that out makes one wonder what sort of research went into the preparation of his speech.

When dealing with innuendo and allegation, the hon. member for Central Nova falls in the face of the blunderbuss from Grenville-Carleton. That hon. member was in the House when the Prime Minister (Mr. Trudeau) replied to the hon. member for Capilano (Mr. Huntington) in relation to alleged instructions to his personal secretary on the way he was to conduct his dealings with Sky Shops. He was here and he heard the Prime Minister reply. For the record the question begins at page 9103 of *Hansard*. The question and answer are as follows:

MR. RON HUNTINGTON (CAPILANO): Mr. Speaker, I have a question I should like to address to the right hon. Prime Minister. When in April of 1970 the Prime Minister gave permission to his then principal secretary personally to intervene in a matter involving large sums of money between Sky Shops Export Limited and the federal Department of Transport, what were the instructions that he gave to his then principal secretary?

RIGHT HON. P. E. TRUDEAU (PRIME MINISTER): Mr. Speaker, I am not sure upon what the hon. member is basing his assertion that I personally gave instructions. My principal secretary was, in a general way, instructed to deal with constituents—by that, I mean not only people from my riding of Mount Royal but constituents across the country—who had some reason to want to see me. I could not make myself accessible personally to everyone, but he had instructions to try to deal with every reasonable request by any citizen of Canada, particularly if they came from the beautiful riding of Mount Royal—

At that point I recall there was a chuckle from the opposition. The answer continues as follows:

—and to make sure they had access to government services, just as I am sure it is the duty of every member of this House to make sure that happens when they get requests from someone in their constituencies.

The reputation of the hon. member for Grenville-Carleton is of being one of the most able constituency members in the House. He deals constantly with constituency problems. Were he not able to write as good a letter on a constituency problem as Mr. Lalonde did on behalf of the Prime Minister, I would be very surprised. In fact the letter that was written by Mr. Marc Lalonde I would not seek to table.

Mr. Knowles (Winnipeg North Centre): No.

Mr. Blais: Mr. Speaker, may I call it six o'clock?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Blais: Mr. Speaker, I would like to take a few minutes to read to the House a letter written by the executive secretary to the Prime Minister, Mr. Lalonde, dated April 14, 1970, to Mr. Louis Lapointe of Miron Limitée, 2201 Jarry West, Montreal, Que. This is what he wrote.

My dear Louis:

I acknowledge receipt of your letter dated April 6 as well as the attached documents.

I had already seen Mr. Stoner when I received your letter. I had however raised the problem as you had indicated to me during our meeting and in your letter. I asked Mr. Stoner to instruct Mr. Windsor to proceed without delay with this file.

I must say that I am surprised by your refusal to provide a complete copy of your agreement with the Quebec Liquor Board. I cannot accept the principle whereby a public body such as the Quebec Liquor Board may enter into a contract agreement with private concerns and not make public such operation licences. I have no idea what the department will do about your refusal to produce a copy of the agreement, but I must confess that if I were in their place, I would insist to get a copy of the official document. At least I would require a certified copy endorsed by the Board in respect of the extent of your lease.

I hope there will not be undue delays in this matter and if you have any difficulty, be sure to let me know.

Yours very truly,

Marc Lalonde
Executive Secretary

Mr. Speaker, I have read this letter into the record to reply to charges made by the hon. member for Grenville-Carleton (Mr. Baker) about the Minister of National Health and Welfare (Mr. Lalonde). I believe the whole thing is quite clear, as I indicated before recess. It is a letter of a kind I could have written as a member of parliament.

The hon. member for Grenville-Carleton could have written such a letter. Indeed, the leader of the opposition could have written it. Those are things we are constantly asked to do by our constituents. I myself do it regularly.

Mr. Speaker, much has been said about the motion presented to the House and which we are debating. Obviously, the hon. member for Central Nova (Mr. MacKay) barked up the wrong tree in this whole thing. He wanted to deal with honesty, integrity and so on in public affairs. He brought up three matters that have been explained by the Minister of Transport (Mr. Lang), namely the dredging contracts, Sky Exports Shop and the Estey inquiry. There are now inquiries of a kind or another and we are awaiting reports.

● (2010)

Mr. Speaker, the hon. member for Central Nova (M. MacKay) evidently lacked seriousness in his accusations. The government is not in the least involved; he has failed to demonstrate that the government had anything to do with this. Whoever reads the hon. member's motion realizes that he is seeking action on the part of the government, that he wants an investigation—indeed he wants an investigation—and that he bases his request on two allegations which the minister has explained, first, the question of the double hearsay, which he admits may be wrong, and second, the question of the return of the tender money, which the minister has said was due on inaccurate and inadmissible tender.

As to the motion itself, the hon. member urges the government to take immediate action to restore public confidence in the government's efforts to control conflict of interest and other improprieties of public officials, most especially with regard to government contract and leasing procedures and practices.

Therefore he is attacking public officials, not the government, not hon. members, but public officials. And what surprises me most is the fact that the hon. member for

Grenville-Carleton, who is always trying to defend civil servants in the House, is supporting this motion.

Of course, Mr. Speaker, public servants are not here to defend themselves. So, I will try to defend them because those public servants have obligations. First of all, they have guidelines to follow related to their behaviour as individuals confronted with their responsibilities as public servants; second, they have to follow guidelines and regulations set out by each department regarding contracts and the tendering and leasing procedure in general.

Regulation 75-530 dated September 2, 1975 on government dealings sets out all the limitations imposed by every department, and I simply want to quote section 5. The public is not aware of that, since it is believed that the government is free to award the contracts they want whenever they want and to whomever they want to award them. I quote section 5:

5. (1) Subject to this regulation.

(a) no contract can be agreed on, and

(b) the amount of a contract cannot be increased without the approval of Treasury Board.

(2) In cases where the present regulations stipulate that the contracting authority is not empowered

(a) to sign the contract, or

(b) to increase the amount of the contract, without the approval of the Treasury Board, the latter is authorized to give its approval.

Now, to go back to the instructions. The document was issued by the Treasury Board: "Policies and guidelines for Canadian government contracts". This document contains 41 pages of instructions given to every government department. We readily see what it deals with by consulting the table of contents: first of all, work distribution between the purchasing departments and the common services agencies; the purposes of the document, of which, firstly, the policy. I quote, as follows, from page 5 of that document:

The government purchasing procedure serves the purpose of obtaining supplies and services, of building works and signing leases through contractual provisions which best serve the specific requirements of the programs of the government of Canada. The contracts of the government should be entered into so as to guarantee:

(a) the best possible terms from the triple point of view of quality, time limits and total cost of the goods or services purchased throughout their useful life;

(b) a reasonable use of public funds; and

(c) if needs be, that national policies and objectives are taken into account.

Mr. Speaker, this objective is pursued over 41 pages. There is a section which I regard as very important, the one about the protection of the interests of the Crown, that is of the Canadian people. First, financial guarantees; second, contract arrangements; third, insurances; finally, the purchasing process, the procedure to follow to negotiate contracts between the Crown and individuals in the private sector.

We find a definition of requirements, that is what is needed. There is a list of purchasing methods, or ways of purchasing the goods that are needed. Then the price and the way of determining prices are dealt with. Mr. Speaker, invitations to tender and selection of the contractor are found on page 25 of the document. On that page the procedure to follow to invite tenders is explained.

[Mr. Blais.]

I quote clause 5.40 on page 25:

5.40 As indicated in the policy statement, the purchasing method used for a given purchase should give eligible businesses the same opportunity to deal with the government, within the application limits. The following guidelines describe different selection methods to be used according to the circumstances.

5.41 Notices in newspapers

. . .

5.42 Use of the postal lists of bidders

Mr. Speaker, I shall not read the whole document because it is very long. All I want to indicate by this is that for a long time we have had very strict guidelines on the way the government and civil servants should proceed for awarding contracts. There are restraints as to the duty of civil servants. All I want to indicate in conclusion is that it is impossible, no matter the importance of the guidelines established, to believe that we will be able to obliterate all loopholes and all frauds, human nature being what it is. We try to do away with them as much as possible, but being realistic we realize—

● (2020)

[*English*]

It is impossible, Mr. Speaker, to do away with human nature and criminality. For anyone to think that eventually there will be complete elimination of that conduct is unrealistic.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am glad to take part to this opposition day. It has made possible the presentation of a motion relating directly to conflicts of interest. I listened very carefully to the previous speaker who seemed quite intent on defending himself. I do not think that the motion accuses anybody. On the contrary, I think it simply requests Parliament, hon. members, to try to avoid those allusions which have been made for so many years. There were also inquiries that proved the government or governments had certain problems within their departments or services. And when the motion states clearly:

That this House noting the public is concerned—

I think this is ever more important, Mr. Speaker. You and all hon. members are aware that politicians have lost much credibility on account of rumours which are heard now and then. I realize some hon. members may be worried by our present discussions of events which were published in the newspapers. I shall bear testimony to this, shortly. We are not accusing anyone, far from it, but simply avail ourselves of the opportunity to urge the government to scrutinize all its departments and agencies and try to eliminate abuses, if any.

A while ago, the hon. member for Nipissing (Mr. Blais) admitted that it is not easy to eliminate all wrongdoings. But to which extent should we press the government to check those abuses or those errors—if they are—while profiteers manage to convince the public that politics is a dirty game? In my opinion, this is what we are trying to do when we say that government leaders must be free from any suspicion. I think this is an important requirement that should be met.

The newspapers recently reported such cases, which do not improve the standing of members of Parliament. I can read in a newpaper: "RCMP search Senator Louis Giguère's offices and home". I am not the one who reports it, the newspapers do; this merely proves how important it is to change the situation and, if necessary, to proceed with a judicial inquiry. I will quote a well known Montreal reporter who believes that such an inquiry should be done. Further, one can read: "RCMP search senator's offices—" This is an excerpt from another Montreal daily newspaper. "RCMP inquire on alleged fraud of $60 million at Mirabel". "Giguère case still on front pages". "$95,000 in assets". "New scandal at Air Canada". This news is reported in the newspapers. A $5,000 bribe to the Liberals.

Mr. Speaker, those are so many newspaper headlines, so many things that lead people to believe that Parliament is definitely corrupt, but I do not think that all those sitting in this Parliament are corrupt.

Mr. Speaker, I should like to quote from an editorial by Claude Ryan who, I believe, is held in high isteem. He refers more specifically to further details provided by a Toronto newspaper *The Globe and Mail*, concerning the Sky Shop Exports Limited.

> Senator Giguère attempted the other evening, before his Senate colleagues, to deny any suspicion of irregularity . . . not only did it restrict singularly the full impact of the case . . .
>
> Until further notice, any strictly private individual or society is entitled in this country to make gifts to anyone, provided it is done legally. In case of gifts to political parties the Canada Elections Act now requires that they be reported to the returning officer and that this information be made available to the press and the public. But the act was not yet in force at the time of the transactions between Sky Exports Shops and Senator Giguère. Therefore, it could not be involved to blame Mr. Giguère for having bought at unusually attractive conditions in 1972 shares that he was able to sell back a few months later at an incredible profit of almost 2,000 per cent.

Mr. Speaker, the title is: "The Giguère Case; Why 2,000 per cent?

> Among the other circumstances that look fishy in this story, there are at least three which deserve special attention:
>
> (a) The directors of Sky Exports Shops had at the time a secret guarantee from the Quebec Liquor Board that they would be the only ones allowed to buy alcoholic beverages from the Board for sale at Dorval airport. It is understood that the person at the RAQ responsible for this agreement has been replaced since then. Therefore, there is reason to believe that this type of practice has come to an end. But it is important to know if federal authorities were informed at the time. According to the information made public in the last few days, it seems that they were. How can one explain that they could have been party to a practice which went directly against the rules of free competition for the granting of federal permits?

Well, Mr. Speaker, I think it is indeed something to wonder about. Earlier today, if I remember well, someone mentioned a correspondence between the executive secretary to the Prime Minister, now the Minister of National Health and Welfare, and Mr. Lapointe.

Well, there is no proof in those letters that the minister did something wrong. But the question is there: how come the attitude of the government of Quebec with respect to the granting of those permits was not criticized? A few months after their permit was renewed, the exporters of Sky Exports Shop sold their business at the price of $20 a share, enabling Senator Giguère to make a profit of $95,000 within a year. Considering most of the value of that business lay in the exclusive permit it was granted by the federal government, he made quite a pretty penny indeed.

Well, representations were made to the executive secretary to the Prime Minister, now Minister of National Health and Welfare, by the chairman of Sky Exports Shop who asked him to appeal to the Minister of Transport to speed up the expected decision. The present Minister of National Health and Welfare denies receiving any monies in that respect, and we will take his word on it.

However, in his letter to the Deputy Minister of Transport, we note an apparently unusual insistance. Here is, Mr. Speaker, an editorial of a very well known daily Montreal paper which raises a number of questions and calls for answers. I think it is quite normal and in the interest of the public right that we should ask certain questions to which the public is entitled to expect answers. Earlier today, I think, someone mentioned $10,000 paid to Mr. Lapointe to have him come a few times to Ottawa, and request an extension of his contracts.

It might be important to know up to what point the government should not disclose that $10,000 expense. It does not take $10,000 indeed, Mr. Speaker, to come three or four times to Ottawa. I think agreement to that extension was obtained within one month, from January 8 to February or March.

Mr. Lapointe, I agree, made a few trips to Ottawa. He was given $2,000, $3,000 or $5,000 to negotiate, hoping there would be an affirmative response. How was that $10,000 spend? Those are questions we ask without accusing anyone, but I think the public would be quite interested in knowing where that money went and whether Mr. Lapointe really spend $10,000 on trips and meals. We have nothing against that, we would like the question to be asked, considering the amount, to come from time to time to solicit a little service for reasons we do not know either.

In any case, I think it is a question that deserves to be asked. As I was saying, Mr. Speaker, the motion before us today invites members to ask the government for closer monitoring that we have had up to now, and particularly eliminate those scandals we have across the country. We had others, with the result that the public loses faith in men in public life, the credibility not only of this government but of this Parliament—and we make up this Parliament— is also down. It is not very interesting for us to be catalogued in a general way because newspapers indeed report suppositions perhaps, as well as allegations, and in certain cases evidence was put forward.

So, that is why we try to bring this government to shed light on matters such as those with which I dealt earlier, and which are publicly reported in newspapers, and I think nobody can blame us for working in that sense. I heard other members make certain comments today in that respect and we are trying to get rid of and eliminate those conflicts of interest. Obviously, the leaders of a government must be above suspicion. The kind of intolerable situation which undermines public confidence in the normal process of our institutions in equally important.

We would hope to bring about such things. All these articles and statements encourage many people to make easy and negative criticisms about politicians, and we are always disappointed to see such articles or scandals,

because we are directly involved, whether we want it or not. We must ensure that politicians exercise great care regarding conflicts of interest. A piece of legislation was adopted hardly a year ago on this matter, and I believe that we can never do too much to eliminate these conflicts of interest. I recognize that people in public life must, and rightly so, be careful about public morality, and this gives us even more reason to demand stricter control on the part of the government. It is up to the government to throw some light and clarify any such matters which might raise some doubts about the honesty of politicians. Once again, I believe that we are justified in demanding that these things reported in the newspapers be clarified. Reporters have brought these things up and the public is expecting some answers. It is therefore important to clarify the relationship that may exist between the government and certain financial interests.

Mr. Speaker, such is the purpose of this motion and we are asking only one thing from the government: That it throw light on some points which are now unclear—and the public is aware that there have been quite attractive profits. Are these profits justified? We should be told if they are. We have nothing against the fact that an amount of $10,000 was granted to a gentleman who has some representations to make, as long as these things make sense. Those are the questions that we are asking. Men who may not have been directly involved with a department, as they now are, may have had relationships which are quite legitimate in politics, and we admit this. But once again, we are asking the government to clarify those things that we and the population find fishy and which were brought to the attention of the public. In the light of the information we might get on these matters, it is possible that the answer be accurate. And if errors were made, we will have to ask the government to take action. A judicial inquiry has been urged. A well known editorialist among many other people feels there is ground for an inquiry. I believe the government will never have been served better than by the group of members urging that the matter be aired. These members would be happy to see the government put a stop to those practices, that corruption the public is so concerned about. I believe it is in Parliament's interest and it is important to both members in this House and those who wish to enter prolitics that they should not be termed generally "shady politicians". I therefore hope the government will shed light on those things and what it will be capable of preventing their future occurrence.

[*English*]

● (2030)

Miss Aideen Nicholson (Trinity): Mr. Speaker, the motion before us, urging the government to take action "to restore confidence in the government's efforts to control conflict of interest and other improprieties of public officials," is timely, but limited and limiting in that it seems to place on government alone a responsibility that should properly be shared by the opposition, the civil service, by the media, and by all Canadians who care about the democratic process.

Present day concern about the conduct of public officials reflects a number of factors—some positive, some less so. On the positive side, public awareness and public requirements of standards of behaviour from elected officials and civil servants are higher than they have ever been. Practices which were tolerated ten years ago, such as, for example, establishing private trust funds to supplement a politician's income are no longer acceptable.

We must all welcome this greater vigilance of the public and the clearly articulated wish of Canadians that politicians not only be, but appear to be independent and not subject to inappropriate influence or an appearance of influence in the exercise of their public duties and responsibilities.

The Election Expenses Act, with its provisions for disclosure and its encouragement by way of tax credits of small donations, represents one important response of the government to this legitimate concern of Canadians.

The green paper entitled "Members of Parliament and Conflict of Interest" which was prepared in July, 1973, under the auspices of the Privy Council, represents another government initiative to remain responsive to the contemporary needs and values of Canadians.

The then president of the privy council recognized that:

> ... the evolution of public standards has out-distanced the development of formal rules which should apply to the conduct of members of parliament. Furthermore, the role of the member of parliament has become more complex and members may increasingly find themselves in situations for which no adequate rules or guidelines exist to aid them in ensuring that their conduct respects their fiduciary duty. Perhaps most important, the increasing involvement of modern government in society has blurred the line between public and private matters to the extent that both the public and parliament seem agreed that a systematic and public set of standards is now required.

Although the proposals made in the green paper were restricted in their application to members of the House of Commons and senators, the green paper stated that the government intended to develop "a comprehensive policy on the standard of conduct expected of officials at all levels of government.

On December 18, 1973, the Prime Minister (Mr. Trudeau) tabled an order in council setting out guidelines for public servants and those appointed to public office by the Governor General in Council. The underlying principle of these guidelines is an obligation on the part of public servants to act in a manner so scrupulous that it will bear the closest public scrutiny. Public servants are, therefore, required not to place themselves in a position where they are under obligation to any person who might benefit from special consideration or favour on their part, or seek in any way to gain special treatment from them. Equally, a public servant may not have a pecuniary interest that could conflict in any manner with the discharge of his official duties.

Public servants are now expected, as are ministers of the Crown, upon appointment to office, to disclose all business interests that could be construed as being in actual or potential conflict with their official duties, and to arrange their private affairs in a manner that will prevent conflicts of interest from arising if there is any risk of that occurring. Public servants are required to manage their affairs so as not to benefit, or appear to benefit, from the use of information acquired in the course of their official duties that is not generally available to the public.

In the matter of contracts specifically mentioned in the motion of the hon. member for Central Nova (Mr. MacKay), public servants are asked not to place them-

selves in a position where they could derive any direct or indirect benefit or interest from a government contract over which they can influence decisions.

In the past the matter of conflict of interest with regard to public servants was not of great public concern. It was a matter of principle that on entering the public service one severed all connections with the business world and with political parties. However, in recent years new policies in the public service have brought some changes. For example, under the Public Service Commission's career assignment program business people have been brought into the service, and public servants have been assigned to jobs in industry. In the senior executive interchange program public service appointments are filled by businessmen and women, and public servants are transferred to industry on a temporary basis. Deputy ministers have also been brought in from outside the public service.

● (2040)

In these new circumstances men and women may find themselves in situations where their public duty conflicts with their own interests or those of the company with which they have been associated. On the other hand one can argue that an official who withdraws from decision making in matters relating to his or her former business may well become ineffective in his or her public service capacity.

When the Prime Minister tabled these guidelines, Crown corporations were also asked to develop standards and guidelines for their employees. The then minister of justice was requested to review existing legislation with respect to judicial or quasi-judicial appointments, with a view to bringing it into conformity with established standards of conduct for other officials in government service. On December 31, 1973, the Treasury Board followed the Prime Minister's directive by issuing a circular to all heads of departments. The initial disclosures were to be made by June 30, 1974.

During the debate on the guidelines the hon. member for Winnipeg North Centre (Mr. Knowles) raised the criticism that the order in council lacked definitions and provisions for enforcement.

In the case of members of parliament a number of statutes now contain provisions on conflict of interest. These include the Canada Elections Act, the Criminal Code, the House of Commons Act, the Senate and House of Commons Act, the Rules of the Senate, and the Laws and Usages of the Parliament of the United Kingdom, as preserved by Section 18 of the British North America Act and Section 4 of the Senate and the House of Commons Act.

Part III of the green paper dealt with possible weaknesses, omissions, and loopholes in current legislation, and considered that some provisions may be out of date and in need of revision in the light of changing circumstances. The green paper proposed that legislative provisions concerning conflicts of interest of members of parliament should be contained in a new act to be known as the Independence of Parliament Act, with the exception of bribery which would continue to be dealt with under the Criminal Code.

At present Canadian legislation on government contracts held by members of the House of Commons is found almost entirely in the Senate and House of Commons Act. The basic principle expressed is that a member of the House of Commons or candidate should not be party to a government contract as a result of which he, or she, is a recipient of public funds. This provision has been criticized on grounds of ambiguousness.

The discussion draft of the Independence of Parliament Act, which was included as an appendix to the green paper, made seven proposals with regard to government contracts. The principle, generally, is that participation in a government contract by a member of parliament constitutes a conflict of interest and a violation of the member's fiduciary duty. It was also recommended that no member of parliament should be permitted to participate in the management or direction of a company having a government contract or agreement. It was also suggested that disclosure should be made by registering annually a list of companies in which the member was an officer, director or manager.

Some of the exceptions proposed were: that a member of parliament should be permitted to own shares in publicly traded companies that deal with the government, provided the member is not a director, nor in active management of those companies, and that he or she holds less than 5 per cent of the stock, such interest to be registered annually; that a member may participate in a contract if the aggregate value is less than $1,000 in any one fiscal year, the details of such interest also to be registered; that a member may hold a government contract if the completion of such contract devolves on him by descent, marriage, or operation of law, provided the member disposes of the contract within 12 months. Again the details are to be registered.

The discussion draft proposed that the former tenuous custom of declaring financial interests in a matter during debate and question period should be formalized and incorporated in the Standing Orders of the House and Rules of the Senate. No particular sanction was proposed for a violation, although a wide variety of sanctions is available. It was suggested that the standing committees of both Houses would provide guidance regarding particular situations.

The draft suggested retention of the practice whereby a member of the House, or a senator, is prohibited from voting on any question in which he or she has a pecuniary interest. It was proposed that the Standing Orders of the House and Rules of the Senate should caution members to exercise care in managing their investments so that they do not benefit, or appear to benefit, from the use of information which may have been available to them confidentially. Severe penalties were suggested for breaches.

As hon. members know, the green paper was referred first to the Standing Committee on Privileges and Elections, which has reported to this House. The Senate is currently discussing the report. The green paper was intended as a first step in the evolution of a systematic and public set of standards. I hope that today's discussion, together with the report of the Committee on Privileges and Elections, and the debate in the Senate will contribute to this process.

The hon. member for Grenville-Carleton (Mr. Baker) expressed concern about the green paper being still before the Standing Committee on Privileges and Elections.

Apparently he did not know that the committee reported last June. During the proceedings of that committee the same sense of urgency was not always demonstrated by his colleagues.

At early committee meetings some opposition members wanted public disclosure and severe restrictions for ministers only. Being newly elected I was surprised to hear opposition members suggest that private members of parliament could not be in conflict of interest. Some opposition members preferred to use their time questioning the authorship of the green paper instead of discussing the content or proposing new measures. Despite these initial delays all parties worked constructively on the guidelines which, as the hon. member for Lachine-Lakeshore (Mr. Blaker) said this afternoon, went beyond the green paper's recommendations and were accepted unanimously.

As the green paper stated, "the prestige and effectiveness of the Canadian parliament depend greatly on the public's confidence in the willingness of parliamentarians to resolve conflicts of interest." You will note that the reference is to parliament and parliamentarians, not to government alone. The motion before the House deals with the restoration of public confidence. Just as the green paper deals with avoiding not only conflict of interest but the appearance of conflict of interest, I take it it is the duty of parliamentarians not only to define and observe rules of conduct but also to inform the public of the existence of those rules, and thus maintain public confidence.

● (2050)

Members of the official opposition have a special responsibility to be accurate as well as hard hitting in their criticisms—to present a balanced picture of things as they are, not to attribute bad motives or behaviour without proof. A well respected member of the official opposition once said at a meeting of the Standing Committee on Privileges and Elections that democracy is a delicate flower. Certainly the number of healthy democracies in the world today is disconcertingly small, and we cannot take ours for granted.

Free speech, open criticism, and discussion of issues are central to democracy, but negative cynical criticism and attacks on personal integrity tend to erode public confidence in democratic institutions. Maintaining and restoring public confidence require leadership by government, but also require restraint and concern for accuracy on the part of both opposition and the media.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, what we have before us today is a gently worded resolution by the quiet and gentle member from Central Nova, containing the word improprieties, and suggesting the government should take immediate action to restore public confidence. He then goes on to give one or two bits of evidence.

I want to say at the outset that the samples of evidence given in the motion are such a small proportion of the sins of the government that you hardly even know there is more than a mosquito biting an elephant. And in all the answers we have heard from the government today not one has even mentioned that $95,000. The minister made reference to picayune little points made by the hon. member for

[Miss Nicholson.]

Central Nova (Mr. MacKay). Everyone knows what we are talking about, and they carefully avoid it.

Let me just list the type of things which should be in the motion, Mr. Speaker, and I could double it and triple it if I wished. How about the dismissal of the Chief Commissioner of the Board of Grain Commissioners for only one cause—he refused to play the political patronage game of the government in Montreal?

An hon. Member: Shame!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, how about the fact that at this very moment there are criminal court proceedings going on in Regina, Saskatchewan—the chief operational head of the Prairie Farm Assistance Act has had his preliminary hearing and faces criminal fraud proceedings? And we get these moral lectures on behaviour as it should be, according to some mythical guidelines. The government, instead of trying to bring this out into the open, periodically tries to bring the Prairie Farm Assistance Act here to be repealed so we will not be able to talk about it any more.

All hon. members remember just a short while ago that one newspaper which took a different editorial position from the one the government has, lost all its government advertising. Who enforced this action? Why, it was the then minister of energy, mines and resources. Punish a person, if he disagrees with the government! This is not ten years ago in the weak days of government under Pearson. This is right now. And what did they do with that minister? They made him the Minister of Finance (Mr. Macdonald). They have the morality of a bunch of alley cats.

Look at the questions about the Montreal pipeline I put a year ago in the House. Who was on this committee representing the government dealing with the business firms and trying to get them to build the Montreal pipeline? First, I heard they were to get the Deputy Minister of National Defence (Mr. Richardson). Then the Energy Board officers were there. Finally, after a little bit of questioning, the minister admitted that someone from his department was there. From his office, is what he meant to say. And one of the reasons for the delay was somebody telling these companies that if they wanted things speeded up they should make sure they hired public engineering people from the right place. The minister in this case was the same minister of energy, mines and resources, the patronage boss for the province of Ontario.

If I dipped my nose into the smell which comes out of CIDA it would be a stinking mess you would have to bring into this House. The Minister of National Health and Welfare (Mr. Lalonde) made a trip to Israel. Did he use a government plane, a commercial plane? Oh, no. He made the trip on a friend's plane—a friend who was doing big business with the government.

Then we have the great mystery of what we will call the Austin case. The member for Central Nova tried to get several questions placed on the order paper. They were not allowed on the order paper. These questions were addressed to the Prime Minister (Mr. Trudeau). They have been published in the newspapers but are not allowed in this House. Is the government trying to build up confidence in the minds of the people of Canada that it is running a clean shop here?

I will go further, Mr. Speaker. Even with the Elections Act of 1974 in place there is blackmail going on with the business and professional men in this country undertaken by the bagmen of the government. These are the types of thing which should be in the motion and I think the hon. member for Central Nova should be criticized because he is so moderate, and so gentle with regard to these very serious things.

Last evening I spent a little time reading through some of the recommendations of the five volumes of the Glassco Commission Report. This was a commission set up 15 years ago to try to tighten up the looseness and the duplication in government spending about which the member for Central Nova was talking. All I wish to say is that the royal commission reported some 12 years ago, recommending that we decentralize the control of this huge labyrinth of administration from Treasury Board and put responsibility on the individual departments to do more. Then it adds these phrases, over and over again, "Pay these civil servants more so they can do the job more effectively, and then insist on accountability." What they have done is raise the salaries all right. They have not decentralized it very much, and they forgot the key word, accountability.

What do I mean by accountability? When these sort of things happen to a person in charge at a responsible level, a member of this parliament, whether senator or member of this House, you ask him to resign. That is accountability. Anyone having anything to do with these sort of smelly operations should resign. Or you tell senior civil servants, who are now paid the equivalent of the salaries of corporate heads, that they are fired, without any recommendation for another job.

● (2100)

In this particular case we have the ex-minister of transport, the present Minister of Industry, Trade and Commerce (Mr. Jamieson), and if the Prime Minister (Mr. Trudeau) wants to prove to the people of this country that this thing will never happen again, he should ask the minister for his resignation, because he presided over the treasury board, I understand, when this decision was made. Ask the present Minister of National Health and Welfare (Mr. Lalonde), who was working then for the Prime Minister and, according to the evidence, doing a constituency job as a friend of a man from Montreal. He gave an order that the file should be opened and acted on. I ask for that minister's resignation. Then the people will know you are taking action to stop this type of thing.

Patronage is not a new word in this House. I do not suppose that even in an NDP government you get rid of it. Even they are hiring defeated politicians. But there has to be a certain standard, or a politician loses credibility across the country. I happen to come from the province of Saskatchewan where we endured for many decades the machine politics of the Liberals, euphemistically called the Gardiner machine, but it kept on going after he disappeared.

I belonged to an administration that was here from 1957 to 1963, and many senior newsmen in the press gallery today claim that we defeated ourselves by trying to stop patronage and corruption in places like the post office, public works, PFRA and PFAA. Not one of the people involved was fired. When the 2,000 people that I had personal knowledge of were told there would be no dismissals but to keep out of this silly political business, only six broke that direction from the minister, and not one of those six was fired. They got a second warning and then were removed.

The day of hiring people for their political wallop, the day of using civil servants to act at election time, is over except for the west. The present political czar in the west—I call him the crown prince—is trying to rebuild the organization, and this explains why the Liberals ran third in so many districts in Saskatchewan last June. In the minister's own area the Liberals ran a poor third. I am simply pointing out that we have heard a lot of nonsense in this debate from hon. members opposite. No one has even mentioned the $95,000 which is evidence that infringes the members of parliament act and the members of the senate act. This absence of any mention of the $95,000 means that ministers are not enforcing accountability among their own people. As the Prime Minister said the other day, he could not see any evidence of conflict of interest in the payment of $95,000 just for being a friend.

Mr. Blais: He never said that.

Mr. Hamilton (Qu'Appelle-Moose Mountain): My hon. friend from Nipissing reminds me of a rain barrel; the emptier the barrel, the more noise it makes when you beat it. He was certainly making a noise tonight. I know the tricks of these country people. When they have a poor case they yell at the top of their voice. The hon. member mentioned, for example, that he was not here when all these ministers were going right and left while the hon. member for Yukon (Mr. Nielsen) was on the warpath. Nearly a score of ministers disappeared from that one administration over a period of time. The hon. member reminds me of what I told the Minister of Agriculture (Mr. Whelan) some time ago, that you rarely find a good kernel of wheat in a full barrel of rat manure. Translated that means that if you keep associating with these people you become one of them.

What this whole matter adds up to is that in the last two decades we have moved into a permissive society. What started out as a move to get the government out of the bedroom has spread all through government, but instead of sex what we are talking about is a new form of permissiveness—that it is all right to put bagmen in the Senate. It is all right for them to make representations to friends, or to get friends to make representations to them. It is all right to appoint friends to high positions in Air Canada. It is all right to appoint defeated politicians to jobs across the country. There is nothing the matter with appointing a well trained, able, defeated politician. But when all of them are given an appointment, questions arise.

What we are witnessing in typical Canadian fashion is a Watergate—Canadian style. As the hon. member for Grenville-Carleton (Mr. Baker) pointed out this afternoon, when the Minister of Transport, an ex-professor of law and ex-minister of justice, stood up in the House and made his unctuous, sanctimonious speech, it sounded so much like the repeated disclaimers of ex-president Nixon—everything will be disclosed, everything is all right—that type of

attitude proves to me and convinces me that there is a deliberate policy here of putting the lid on disclosure.

I mentioned the Board of Grain Commissioners. We do not have to go out and get a witness; the witness is sitting in the House today as a member of parliament. I refer to the hon. member for Swift Current-Maple Creek (Mr. Hamilton) who was chief commissioner of the Board of Grain Commissioners, and was fired by the government. Under pressure he refused to play politics with the movement of grain to the hungry people of the world, and the answer was dismissal. I am the one who said that the best thing to do when this sort of thing happens is to run for office, become a member of parliament, and whenever you have the occasion just remind the government of the type of people they are.

I mentioned the PFAA charges. I am not going to say anything about the particular charges because they are still before the court at the present time, but I am not going to hide my intentions. When the court cases are over, that will not be the end of the matter. In a court, tangible evidence has to be produced. If anyone is going to suggest to the rational people of this country that one man at a level way down designed this whole operation, that will not be acceptable to the House of Commons. We want to know how far this conspiracy to spend public money for purposes of electing government members reached into the parliamentary secretaryships, the executive assistants, and perhaps even members of the cabinet. Those are not questions you turn over to the police for investigation. This is a responsibility of the Committee on Privileges and Elections, and I am glad that the hon. member for Lachine-Lakeshore stood up today and said that was the place for them, because we will be there before this thing is over.

● (2110)

As I conclude I want to remind hon. members on the other side of the House that these dismissals I recommend are not only for ministers but for one or two civil servants right at the upper end. Once you cut the knot and get rid of them, it is amazing to find how few there really are.

Just to show how serious this is, let me put it this way. The great strength of the Canadian civil service over the years has been in the fact that they watch the politicians and they hold on to their integrity. Remember the civil servant in the deputy minister's office a few years ago when the political manoeuverers around here were trying to get an immigrant in who was offering big sums of money for Canadian citizenship. This deputy minister stood in their way, and said no. I would like to believe that he is still there, but he is not. The truth is astounding, because there was a deputy minister in Energy, Mines and Resources last year who jumped to principal clerk in the Prime Minister's office, and six months later seven senior civil servants decided to retire. That is how serious this is.

What we have to do here is ask the Prime Minister for action, and my interpretation of action in this motion is the dismissal of all those associated with this case as a warning to all those others doing this monkeyshining that they had better run for the hills.

Today is November 20, the birthday of Sir Wilfrid Laurier. In the interest of getting back the confidence of the people the government should indicate its intention to stop this kind of monkeyshines by making this day in 1975 known as the Laurier day massacre of all those people sliding in and out, and doing these things.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Some hon. Members: Hear, hear!

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my contribution to this debate will deal with a problem that is not only a dilemma with which the government is faced but involves a situation which has become quite intolerable as it affects not only every citizen of our country, but every aspect of their every day lives.

I want to take a rational and responsible approach by identifying the issue for debate today as a human problem. It is a human weakness to be arrogant when in a safe position of power. It is human to be loyal to one's friends who have helped and offered support along the rugged trail of political success. To fall and succumb to the dangers of such human activities is not only the weakness of the present government but, indeed, it is a weakness of our political process or system.

It is, of course, also human to try to secure one's position, and to strive for bigger and better things. Regardless of how hard we try to regulate and control the lives of individuals, we will never succeed in making everyone equal by destroying the competitive spirit in individuals and the desire to be at least equal or, ideally, just a nose length ahead of the next guy.

The politician in that sense is no different from the businessman. The latter struggles to become established, celebrates the official opening of his first plant as the achievement of a lifetime, and as soon as the first customer walks through the door and the first day's proceeds are counted, the process of expansion begins. The businessman, like the politician, must, in order to secure his position, broaden his support, expand his scope, diversify his operations, and make himself indispensable.

We hear much about powerful groups within our society today, such as large corporations which have evolved from the world of business and have become so powerful, monopolistic, and indispensable in nature that they now pose the most serious threat to the survival of the very system from which they evolved—the free enterprise world.

There are large unions too which, in order to secure their position to offer more and better concessions to their members, have made themselves indispensable and all-powerful, even ready now to challenge the institution itself.

The institution of government was planned and built with regard to these weaknesses, and in normal times the safeguards are sufficient. Unlike the businessman, the politician must expose himself to the test periodically. The government itself is subjected to scrutiny by the House of Commons in normal times. The collective work of this Chamber is exposed to sober, second look and evaluation by elders who have mastered the art of life and who have, by virtue of their accomplishments, been appointed to serve our country, if for no other purpose than to assure that the politicians who bear on their shoulders such great responsibility do not allow these human weaknesses to influence their work or their decisions.

I said that this was so during normal times. However, we are not living in normal times. Something has gone wrong with the traditional process. Somehow a very powerful and very determined group of people have been able to free themselves of the constraints of the democratic system and are ruling instead of governing. They are possessed by yet another human weakness, namely, greed. Those who belong to this group have become the masters not the servants of their constituents. They have joined in unholy matrimony with the other powerful groups that have helped them on their way.

To be appointed to the Senate today means also to be offered directorships in a series of corporate offices. To be appointed to the executive council means to receive contributions to the election campaign from the unions.

How did this all come about? Many of us have speculated about this and have reached different conclusions. Money is power, or it provides an effective means of controlling power. There is no better way to demonstrate the centralization of power which we have experienced in Canada than by examining the fiscal and monetary strategy of the government.

The Prime Minister (Mr. Trudeau) is right, of course, as is the Minister of Finance (Mr. Macdonald), when he says that the increase in government spending does not fairly reflect the activities and the increase in public services since, as they both argue, the increase in their budget from $6 billion to $32 billion in just ten years is mostly due to transfers of funds—taking from the rich and giving to the poor, taking from certain provinces and giving to other provinces.

The fact is that today almost all disposable income from our gross national product is fed into a central hopper. The super group of which I have spoken thus assumes the right to redistribute this seemingly unlimited wealth in a way not necessarily in the interests of the country as a whole. Is it then, having regard to the human weaknesses I have spoken of, any wonder that there are some Canadians who have been identified as friends of this all-powerful group and have become very rich and powerful themselves?

I want to take a closer look at some of those people behind the scenes. Some have already been identified by my colleagues. Once close to the top they become one and the same person. Their activity and influence is not confined to just the Ministry of Transport, the Ministry of Public Works, or the Ministry of Supply and Services.

I said earlier that the actions of these barons affect every aspect of the lives of Canadians. In the interest of continuity of the story my colleagues have laid out before us, let me lay out another story. Let us take a closer look at yet another most dedicated public servant who at the present time fulfils the role in the Prime Minister's office which was formerly carried out by, in Mr. Lapointe's most affectionate words, "my dear friend Marc". While a westerner of dubious distinction, who has now gone to his reward, filled the position for a brief period of time, the job is now in the hands of a most distinguished servant of the public interest, namely, Mr. James Coutts.

● (2120)

Mr. Coutts' career is colourful, and like his predecessors he too has of course friends who call him by his first name. I am sure, Mr. Speaker, that Mr. Coutts also has friends who are close enough to him to make certain of his actions justifiable. He was once an appointment secretary of the former and late Prime Minister Pearson. Like so many of the people on the monopoly board of Liberal players, he retired early to assume a career of consulting. He became one of that elite group of Canadians who divide amongst themselves every year about $1 billion.

He became affiliated with the firm of Canada Consulting of Toronto, a firm which over the years enjoyed quite an impressive array of public assignments. He took some time out in 1974 to manage the affairs of our Prime Minister during those years. Madam Speaker, I could not possibly give you a complete list of that firm's success stories about which I am speaking. I refer to Canada Consulting of Toronto. But there is one insignificant little assignment which fits into my story best. It was the assignment to find a new head for Central Mortgage and Housing Corporation. The former president was being retired, and the position had to be filled. It was not a difficult task, even though the price tag was, I understand, in the tens of thousands of dollars.

Three names were suggested. The choice was not difficult. Mr. William Teron was the obvious choice, a man with a most distinguished career in the field of housing, particularly high cost housing, because this is what we have much of in our country and are to be assured of more in the future.

Mr. Teron swiftly reciprocated. The corporation had to be restructured to make room for the technocrats who fit better into the scheme of things. Yes, Madam Speaker, as you might have guessed Mr. Coutts got the contract to recommend the changes which would bring peace and tranquility to the corporation. This assignment, I am told, was in the six figure dollar league, indeed a just reward.

Now, Madam Speaker, the new president of the corporation is endowed with a good measure of the human qualities of which I have talked earlier. He is on his way to making himself indispensable. He had little time for the former minister, and less time for the present housing minister. He has recently assumed the responsibility of the top civil service position in the Ministry of Urban Affairs.

He has been known to have the Secretary of the Privy Council write his public statements for him. He is now in a position to make, as well as carry out, the government's housing policy. The same efficiency experts who are the fear of the Housing Corporation are now also extending their activities to the Urban Affairs department. I am sure all will soon be in order there as well. But, while the enforcers of Canada Consulting are still roaming the halls of high government places, Mr. Coutts himself has moved back to a position from where he can serve his country, but more important serve his friends and those of the Liberal Party more diligently and effectively.

As you already know, he is now the principal secretary of the Prime Minister, and one wonders how many privileged Canadians feel, by virtue of their friendship with Mr. Coutts, justified to demand his services. But let us go back to our friend Mr. Teron, and let us bring into focus a short profile of his private business career. Time will only permit us to touch on the highlights of his most recent background.

In 1966 Mr. Teron, with a number of interesting people, incorporated a company called MNS Investment Limited. Along with Mr. Paul Matheson and J. B. Whitely we see names such as Paul Martin, Sr., Jack Austin, and Maurice Strong. These are very familiar names. Maurice Strong is known to us through his close relationship with the former secretary of state for external affairs and now our High Commissioner to England, who appointed Mr. Strong to oversee Canada's efforts in the field of foreign aid. Mr. Strong has lately been seen walking around carrying a Petro-Can.

In February of 1967 Etron Ltd. was incorporated to manage, I understand, the real estate properties Mr. Teron had accumulated. Messrs. Snipper, Cohen and Murray were the solicitors who incorporated the company and maintained the company's office. One of these gentlemen earned Mr. Teron's blind trust in recognition of his services.

Next we see Canadian Interurban Properties, a subsidiary of Power Corporation, acquire the assets of a company called William Teron Limited. He becomes vice-president in charge of planning and development for Interurban Properties. Plan and develop he did.

A short and unhappy corporate relationship with Campeau Corporation proved not too lucrative for Mr. Teron. We see him forming a new company called William Teron and Associates. This company concentrated on building apartments, hotels, and office buildings in large urban areas. Next we see the formation of a company called St. Maurice Capital Corporation. This group in 1970 acquired the outstanding shares of MNS Investments. The MNS shareholders, of course, gained an interest in the new company. Incidentally, among the investments held at the time or re-organization was about $55,000 worth of Brameda Resources, and we also know all about that company.

It was around that time, or by late 1970, that Mr. Teron was seen to spend much time in the office of the then housing minister. Mr. Hignetts' terms as president of CMHC was due to expire in June of 1971, but was extended for two years after much backroom activity. This provided Mr. Teron with time to round out his empire and prepare his blind trust.

Other corporate names appear to complete the web. General Mortgage Corporation is taken over by St. Maurice Capital, and St. Maurice Properties becomes another subsidiary. And then, of course, there is the firm which maintains a penthouse office suite in the Carleton Towers, and which evolved from Etron Limited early in 1974. An impressive list of friends have found refuge there.

One does not have to step off the property surrounding this building to admire the real estate empire of that select group of great Canadians. Madam Speaker, one could go on and on. The question, of course, we have to ask ourselves is, how was it possible for Mr. Teron, who became president of CMHC in 1973, to divest himself of his friends and business interests? The answer, of course, is that it is not possible. CMHC, of course, depends on many of these corporations I have mentioned as a delivery system for the national housing program. His holdings are in blind trust, and that is all that is needed to conform with the 1973 conflict of interest guidelines behind which the Prime Minister seeks refuge every time an embarrassing question is asked.

Blind trust to people like Mr. Teron means that Canadians have to blindly trust that the friends of the Liberal Party are acting not in their own interest, but in the interest of our country. If one examines the financial reports of the many and varied interests Mr. Teron held before and after assuming control of these high public offices, one comes to the conclusion that either Mr. Teron was managing his interests poorly before, or that his powerful position has something to do with the healthy growth of some of these companies after he blindly entrusted the management to someone else. In either case, this gentleman's qualifications are in question.

I want to quote from the 1973 guidelines which govern the conduct of public servants in such high offices. My colleagues have touched on the guidelines for government and members of parliament. I should like to quote three or four paragraphs:

> 3. No conflict should exist or appear to exist between the private interests of public servants and their official duties. Upon appointment to office, public servants are expected to arrange their private affairs in a manner that will prevent conflicts of interest from arising.
>
> 4. Public servants should exercise care in the management of their private affairs so as not to benefit, or appear to benefit, from the use of information acquired during the course of their official duties, which information is not generally available to the public.

● (2130)

> 5. Public servants should not place themselves in a position where they could derive any direct or indirect benefit or interest from any government contracts over which they can influence decisions . . .
>
> 8. Public servants should not accord, in the performance of their official duties, preferential treatment to relatives or friends or to organizations in which they or their relatives of friends have an interest, financial or otherwise.

Well, Madam Speaker, we will let you and the Canadian people judge in Mr. Teron's case.

I have only been able, in the short time allotted to me, to make passing reference to the activities of just one of many small groups of people who, in my opinion, are ripping off the system. I wish it were possible to demonstrate to the House how the activities of these powerful players in the Liberal monopoly game affect interest rates for domestic living in Canada—surely one of the most serious problems contributing to the high cost of housing. But time does not permit.

Let me rather pose this question, Madam Speaker: where is it all going to end? Well, times are changing. We do not enjoy the same degree of financial success and prosperity that we experienced in the post-war period. The gap between rich and poor is widening, and Canadians are about to take a closer look at those who shape the destiny of our country. What they will see is not a pretty picture, and they will demand a change.

Then there are people like Walter Rudnicki, a long time dedicated civil servant who fell victim to their frightening power play, and who will not surrender without a fight. His tragic case is before the courts, and he will not compromise is rights as a Canadian for a settlement out of court.

As I have said during my opening remarks, none of us are immune to these human weaknesses. What is going on in Canada today is only a result of the indifference and

ignorance of too many Canadians who have kept this government in power for too long and have allowed it to circumvent the democratic process.

I know that there are those of our colleagues, some of whom even sit on the other side of the House, who are not of the privileged few who head their letters "My Dear Marc", or "My Dear Jim", who will help us to bring the era to an end. Let us hope it will not be too late.

The Acting Speaker (Mrs. Morin): I am sorry to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Francis Fox (Parliamentary Secretary to Minister of Justice): Madam Speaker, I thank my dear colleague from Calgary. I was thinking about his remarkable comments on the results of a certain game.

Madam Speaker, I now come to the subject of this debate. Points have been raised, arguments have been made during the day by members of the official opposition. I would simply like to say that we had the impression today of witnessing a "de-escalation". On the basis of insinuations which seem serious by themselves, supported by anonymous affidavits which were flourished in the air, all that resulted during the debate in the colleagues of the mover of the motion themselves taking a stance against him. We witnessed a real "de-escalation", as I said. His own colleagues seemed very embarrassed to come back to the subject he had himself raised, and during the afternoon we heard apologies, people almost apologizing for being associated with the kind of things done today by the member in question.

The hon. member for Joliette (Mr. La Salle) for example is maintaining that no accusations are being made. These are the hon. member's words. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) complains that the motion is incomplete. Well, if he has criticism to make about the incompetence of those who drafted the motion, he only has to turn around and face his own colleagues. Indeed he was really successful in underlining the incompetence of his colleagues who drafted the motion. It was almost an election speech, possibly unveiling his own election campaign and I hope, Madam Speaker, that it will be cleaner than the speech he made this evening.

It looks as if he chose the anniversary of Laurier to start off. He spoke of a slaughter. I have the impression, Madam Speaker, that the blue slaughter of February will be a reality well before his pious wishes for the red slaughter. He criticized my colleague the hon. member for Nipissing (Mr. Blais) because he was not here in 1963 and because he does not know the great debates they may have had in this House at that time.

Madam Speaker, if the spectacle the hon. member for Qu'Appelle-Moose Mountain gave us tonight is typical of the type of debate, of things that went on in the House of Commons at that time, I am very happy to be among the colleagues of the hon. member for Nipissing rather than those of the hon. member for Qu'Appelle-Moose Mountain.

And so, we had a "de-escalation" throughout the day. The hon. member for Central Nova (Mr. MacKay) started off, followed by the hon. member for Yukon (Mr. Nielsen) who felt obliged to excuse him by saying it was the role of the opposition to make that type of accusation. The hon. member for Joliette, as I mentioned before, also said that in fact the accusations were not made against the government, that they were pious wishes because everyone is interested in improving public administration in Canada. The situation is quite embarrassing. The last speaker of the party, the hon. member for Prince George-Peace River (Mr. Oberle) did not even speak to the motion before the House. The only thing he mentioned was a series of "Dear Jim" and "Cher Marc", making allusions to people in the office of the Prime Minister, and more particularly to the current head of Central Mortgage and Housing Corporation. And those very same people, on the back and front benches of that opp party, Madam Speaker, keep saying to the government that more people in private enterprise should take part in government decisions. No sooner does someone leave the ranks of that same enterprise to give the Canadian people, the affairs of state, the benefit of his experience in a certain field, people like the hon. member for Prince George-Peace River rise and with innuendos and insinuations try to prove that there is something wrong somewhere. But he never lays a charge. He only gives innuendos and, frankly speaking, I do not think this is on a level with the kind of parliamentary debates we should hear in the House of Commons.

● (2140)

It has been said that the role of the opposition was to give the kind of show we had before us today. Madam Speaker, I always thought the role of the opposition was to make loyal opposition. In fact, the title of the opposition is "loyal opposition". I always thought it meant intellectually loyal. I was very disappointed about that throughout the day.

Is it really responsible, Madam Speaker, to hold up anonymous affidavits? Is it really responsible to say that there is no difference between allegations, to use the word of the hon. member for Central Nova (Mr. MacKay) when he said this afternoon: True or not?

After all, the Canadian Parliament has become a place where the vilest rumours can be spread and thrown at the people's face without the least evidence. Hon. members opposite have reached the point where they talk about prima facie allegations. I would advise them all to return to their law textbooks or their books on the constitution and political science, and brush up their knowledge. There is no such thing as prima facie allegations but only prima facie evidence. Allegations as such are groundless!

By the way, they are the same members who, on many occasions, have accused reporters of the press gallery of reporting false information at times. I believe they could say in turn: "Have a good look at the members throwing allegations across the House and claiming that those unsubstantiated allegations amount to evidence or point to wrongdoing.

In his brief remarks, the hon. member for Joliette (Mr. La Salle) particularly disagreed with his colleague who put the motion when he said that public confidence in the government was decreasing. He should ask himself what is his own party's responsibility for this situation, because day after day, the only thing opposition parties can do is to criticize thoroughly the government's position without

making the least positive suggestion or proposing any alternative. No wonder the public finds that opposition parties do not have much to offer and indeed they do not offer much.

Then, the hon. member for Joliette commented that the RCMP had searched Senator Giguère's offices and home. I think it is difficult to claim that government agencies do not do anything. On the contrary, those situations they hold against us are all to the government's credit and show quite clearly that there is no one in Canada who is not equal before the law, that nobody is above it. We had other examples in recent years, namely the action brought against CMHC officers. So, there was never any attempt to try and hyde anything. When there was some evidence that criminal offences had been committed, the government took its responsibilities. There is proof of that once again in the Hamilton case, the Air Canada and Mirabel cases that the RCMP are now investigating.

The hon. member for Yukon (Mr. Nielsen) suggested this afternoon that all those allegations, all those things were embarrassing for the government. I think this is not so. It is not embarrassing for the government to discover that a Crown official or agent might have committed at a certain time a criminal offence. If such was the case, if the evidence—and I stress evidence, not allegations out of nowhere—was brought before the government, on each occasion the government took its responsibilities, brought the persons involved before the courts which then acted according to the provisions of the Criminal Code.

In spite of what the hon. member for Yukon might have said or thought, nobody questioned the right of the hon. member for Central Nova to raise those matters in this House.

But we should really ask ourselves, Madam Speaker, if it was the best thing to do. The RCMP declared they had started their investigation nine months ago already. Nine months ago, Madam Speaker, and the hon. member for Central Nova (Mr. MacKay) has just made public accusations.

Sensationalism is very tempting. The RCMP commissioner regretted that the member did not proceed otherwise and, besides, the hon. member for Yukon (Mr. Nielsen) did say this afternoon that in 1963 he had lodged a complaint and put his documents in the hands of law officers of the Crown.

To be efficient an inquiry must often be carried on without the knowledge of the suspected parties. The fleeting publicity made around a good part of this case may have given headlines to the hon. member but then it may also have made it easy to get rid of files and evidence that might have helped throw some light on those matters.

Finally, instead of seeking sensationalism by revealing every day some more information an approach which can only be profitable to the member who wants to make the headlines, to the accused or to the person suspected of some illegal action, Madam Speaker, I think that every member should rather give the information to whom it may concern, as suggested by the Minister of Justice, to the officers of the RCMP so that an official inquiry be carried on.

[Mr. Fox.]

In fact, all the evidence presented to the government has been referred to the RCMP so they can accomplish the work with the great expertise recognized most of the time by hon. members opposite when they are not indulging in childish political partisanship.

The hon. member for Central Nova also mentioned things that I consider not too serious, things which did not relate to this debate at all. He started mentioning the PTV, passenger transport vehicles in use at Mirabel Airport. He found with a certain smile great relief in the fact that a certain PTV malfunctioned on the opening day of the airport.

Madam Speaker, he even went to the point of criticizing the operators of those PTV's. Those operators come from my area, they are the guys from home, the guys who were hired by Manpower Centres in three constituencies of the Mirabel and Greater Montreal areas. Those guys met every standard required by the Department of Transport, attended the necessary courses to perform their task, and they are now being childishly accused of not being able to perform their work.

I think it is somewhat disgusting to stress the kind of minor incident which was reported by the hon. member for Central Nova. Besides, he talked about Mirabel before and I guess it will not be the last time he will do so. For instance, he said, as the Minister of Transport stressed today, that some difficulty was experienced with respect to runways, and actually the Minister of Transport thoroughly disproved his statement.

That again is another example of a groundless representation, after what the Minister of Transport mentioned to the House this afternoon. But he is not afraid of those unfounded representations to the House. Not in the least.

I might also stress to him the fact that the development and design of Mirabel are the results, Madam Speaker, of the work of thousands of Quebec people and Canadians who are to us, in my area, a striking example of the genius of our province, and we will not have this kind of slander, this kind of libel which he thinks he is entitled to whether true or not, as he said when he mentioned examples this afternoon.

I shall tell him that the House of Commons is not the place for gossip, rumors, libel through anonymous affidavits. Opposition members dare cry out "shame". In my opinion, when a member rises and holds up to the House of Commons, to the members of this House, anonymous affidavits to tarnish the reputations of some people, I think this cry of "shame" does in fact fit opposition members much better.

Madam Speaker, if the hon. member, instead of wishing to enhance his reputation with gossips and rumours, brought forward some evidence of bad conduct, I would be the first one to support and back him up, because I really believe in an honest and just public administration in this country. That is just what we have and unless the hon. member has specific evidence to give us, I think he should wait until he is in position to do do.

Madam Speaker, some members opposite while they like to criticize government members prove by their protests, as soon as we pay them back in their own coin, that it is unacceptable, that in a certain way, members sitting on

this side of the House must bear their criticisms whether they are justified or not. Well, I tell them from this side of the House that each time they want to launch attacks as stupid and ridiculous as the debate this afternoon, we will pay them back in their own coin, argument for argument but not like the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), insult for insult, because we on this side of the House do not believe in the kind of language used by the hon. member for Qu'Appelle-Moose Mountain during this debate, a language which is not to the credit of members opposite. Further, I know very well that a number of them would not support the kind of remarks that were made, the language used this evening by the hon. member for Qu'Appelle-Moose Mountain.

As far as the hon. member opposite is concerned, I shall wait, I will come to him latter on. I will discuss one by one the attitudes of members opposite, if they will wait. I now come to the hon. member for Grenville-Carleton (Mr. Baker). In a style exclusive to him, because nobody on this side would imitate it, he said the current situation is horrible, that we have reached the point where the RCMP are making raids in the offices and homes of parliamentarians. And in the same breath the hon. member goes on to say the government is "stonewalling" opposition charges. There is a clear contradiction there. Such inconsistent logic is hidden behind the hon. member for Grenville-Carleton's customary eloquence. And not fearing anything, he said in conclusion it is important an investigation be made on the matter, implicating no investigation is being made. If the RCMP raided a parliamentarian's office, if they are making raids here and there, how is it possible to suggest the government is doing nothing to clear these charges? I believe the hon. member is neither inconsistent or hard of hearing. He concluded in a certain manner, and I might paraphrase him in his own mother tongue: "If there is nothing to hide, open-up".

Finally, what a novel principle! Let us push aside serious investigations, let us open the door now to large public inquests. Let us open the door to insinuations. Let us open the door to innuendoes, charges they themselves called "*prima facie* allegations". But where then, may I ask, are our most basic principles?

The hon. member for Yukon (Mr. Nielsen) said that procedures before "law offices of the Crown", before officials of the Department of Justice, may lead to abuse. I presume the idea was that maybe the Minister of Justice or the Solicitor General, after investigation by the RCMP, would shelve the latter's report. Frankly, I wonder how far the hon. member has gone, if he believes that kind of thing would be done on this side. The hon. member said this happened before, and in the context of his own indication, since the matter has been made public, he demonstrates such a situation is now impossible. In order that such a thing be true, three things would be required. First, that the Minister of Justice put the lid on the file. Second, that the Solicitor General put the lid on the file. Third, that the RCMP commissioner put the lid on the file.

And finally, the hon. member said that it is precisely what happened. After all, if that had happened, I suppose the file would have been buried, which it has not been.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member—

● (2150)

[*English*]

Mr. John Reynolds (Burnaby-Richmond-Delta): Madam Speaker, It is a sad day in this House of Commons when the Liberal party will not stop thumping their desks so that a member of the opposition can speak.

Some hon. Members: Hear, hear!

Mr. Reynolds: The hon. member for Argenteuil-Deux-Montagnes (Mr. Fox) said this debate was getting to a low point. I thought that low was reached in his speech. He talked about 1963, Madam Speaker, and he was not here in 1963.

An hon. Member: Take your hands out of your pockets.

Mr. Reynolds: I just wish the hon. member would read the debates of 1963. He would see that the ministers in his government who resigned at that time resigned because of accusations made by members on this side of the House who made accusations against the Liberal party that was corrupt at that time. I suggest to him that the hon. member for Central Nova (Mr. MacKay) and the hon. member for Prince George-Peace River (Mr. Oberle), who have made accusations in this House tonight, have also made those accusations outside this House of Commons.

The hon. member for Prince George-Peace River will make the same accusations he made in this House tonight outside the House of Commons to any press member, and if Mr. Teron wants to sue him he can do so.

An hon. Member: Are you his lawyer?

Mr. Reynolds: I do not have to be a lawyer to tell you that those facts can be backed. Next week, when the hon. member for Central Nova starts bringing out more of his file, just remember who just spoke and wanted to support us in getting a judicial inquiry into this sorry mess that is before this House of Commons now.

The government tells us to put it to the police, to bring matters up in a proper way. I have had some questions on the cleaning contract at Vancouver International Airport, the baggage contract there, the parking garage construction contract, and the new parking lot contract. The hon. member for Esquimalt-Saanich (Mr. Munro) was going to speak tonight on the car rental contracts at the Vancouver airport, but we cannot get answers from the government or the civil service about what is going on in those contracts. If we cannot get them that is why we have to make accusations in this House. If the government would make sure the opposition's questions were answered in a true and unbiased fashion we would not have to bring accusations in this House.

If we had got the information when we looked into the cement inquiry in British Columbia where some prominent Liberal members were involved and got fined—thank God we have a new Minister of Consumer and Corporate Affairs (Mr. Ouellet) who tells us this will not happen again—we would have seen management people who collected more in bonuses than they had to pay in fines.

My time is up, Madam Speaker, but I want to finish by saying I back my colleagues. I want to thank the hon.

member for Central Nova for bringing up this debate in the House today. We are not afraid to back up our statements, but the Liberal members are ashamed of what is happening in their party, and ashamed to bring it before the people of Canada.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order. It being ten o'clock, it is my duty to inform the House that pursuant to Section 11 of Standing Order 58 the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—FREIGHT RATES—DISPARITY BETWEEN RATE ON FRESH FRUIT FROM OKANAGAN TO EASTERN CANADA AND RATE FROM STATE OF WASHINGTON

Mr. G. H. Whittaker (Okanagan Boundary): Madam Speaker, the question which I am debating tonight should concern both the Minister of Agriculture (Mr. Whelan) and the Minister of Transport (Mr. Lang). Because of the disparity between the cost of transportation for fruit, mainly apples, from Washington state to eastern Canada, and Okanagan or Canadian apples to eastern Canada, it probably concerns the Minister of Transport more. However, this sort of problem should concern the Government of Canada as a whole.

The disparity is 43 cents a bushel box in favour of the United States apple growers, This will amount to $318,000 on the almost 890 cars of apples that have to be shipped into eastern Canada if the Okanagan Valley is to sell its large crop that was produced this year.

This is one cent per pound to the apple producer. It may not sound like much, but it is a tremendous amount to the apple producer of the Okanagan Valley, certainly when one realizes that he has to absorb it all. If he is to convince the five remaining apple buyers in eastern Canada to buy his product, he must be competitive especially as to price. With the buying power in so few hands, there is just no question of loyalty to Canadian producers anymore.

● (2200)

The Canadian apple producer must ship to eastern Canada on a delivered basis in order to meet this unfair competitive advantage. It means he must absorb the freight difference. It has to come directly out of his pocket. No one else in the total scheme of things suffers, and it is doubtful if the house wife will get her apples for a cent a pound less.

No wonder the apple producer becomes very upset. Talk about tariffs! Talk about free-trade in Canada! This one operation alone, given the high cost of transportation when the Canadian railways arbitrarily decide to charge what the traffic will bear, gives our competitors in the United States an advantage that far outweighs any tariff protection we may have ever had. And when I say this, this does not just apply to apples alone in Canada. It also applies to the many other products being manufactured in Canada, especially by the small struggling manufacturer desperately trying to build his business, to keep up and to compete.

A good example of this is the manufacture of parta-board in Grand Forks, British Columbia. This company is struggling to maintain its market in eastern Canada against the freight rate advantage enjoyed by the competition from the United States. There are undoubtedly hundreds of manufacturers in the same position in Canada, whether it be in western Canada or eastern Canada.

Going back to apples, it is no wonder that the balance of trade in apples, Canada versus the United States, has so dramatically changed over the past four years. Four years ago when I left the industry as an official, we were shipping one million boxes of apples to the United States, and the United States was shipping almost one million boxes into Canada a very good balance and one with which we were not too unhappy. However, when one takes a look at the record today, just a short time later, it is astounding to see that the number of boxes of apples coming into Canada is almost three million, or three times what it was four years ago, and the amount of apples shipped from Canada to the United States is going down under the million mark.

I say to the minister, take a look at these records, because there is no doubt that the Canadian railways have to take some of the responsibility for what has happened in this balance of trade. Over the last few years we have been very short of cars to ship to eastern Canada and for export. This could well happen again this year, which would be very disastrous on top of the disparity in freight rates.

I say to the Minister of Transport that when he replies, almost in a sad dejected way, to my question by saying that he has no power over the railways, he had better make strong representation to them to the effect that it is when these companies, or monopolies if you will, fail to perform their functions properly in the best interest of the Canadian people that we must have more government interference.

I do not like to see more government interference or government power applied, but I recognize that it must happen when the Canadian railways are failing the people. When freight rates in Canada become a bigger barrier to Canadian manufacturers than tariffs, the minister must do some in depth soul-searching on this subject. Do not tell us you have no power. The Canadian government is all powerful. Let's not have the feeling that the railways run Canada. Either they do their job properly, or you must get the power so that you can be sure that they do it properly.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, as the hon. member no doubt knows, he raises an issue tonight which touches close to my heart as a westerner, and about which pretty well everyone from my part of Canada holds strong views. This evening, as we discuss this subject for which I have a great deal of sympathy, most members in the Cham-

ber are either westerners or maritimers. That shows how widespread is the concern on this subject.

Perhaps I can begin to assist my hon friend tonight by relating some background on this most contentious subject of freight rates which is of great interest to Canadians and, certainly, to the government.

For a number of years, as he indicated, the rates on fruit coming out of both the Okanagan Valley and Washington State were at pretty well the same level. Fairly recently, Canadian railways began to increase their rates to a significant extent. As justification, the railways cite increases in costs which have gone up tremendously. They argue that previous rates, even existing rates, do not seem to provide a sufficient return on investment.

To explain the differential between Canada and the United States, the railways point to such cost differences as the spread between the price of a refrigeration car in Canada and the price of the same unit for moving fresh fruit in the United States. Canadian purchases of such equipment cost something in the order of $20,000 more than they do on the American side. In addition, locomotives cost more in Canada. As a result of these factors, and perhaps others, relevant Canadian and U.S. freight rates for fruit coming from the west have started to part in favour of the American grower.

There have been extensive discussions, and probably more will follow—I hope they will—between officials of the Ministry of Transport and of the railways on this topic and, of course, on other freight rate issues.

As the hon. member knows, and as he has stated this evening, under present legislative arrangements the railways have the legal authority to establish rates within certain rules. The railways are, of course, subject to the current economic restraint program and must comply with the guidelines. In particular, I would refer here to the 95 per cent of margin rule. Further restrictions upon specific freight rates such as the hon. member has in mind, or in connection with freight rates generally, would require changes in legislation.

EXTERNAL AFFAIRS—ST. PIERRE-MIQUELON—DISCUSSIONS WITH FRANCE ON DETERMINATION OF OFFSHORE RESOURCE RIGHTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, I was hoping the Parliamentary Secretary to the Minister of Fisheries (Mr. Baker) would be replying to my question tonight since he comes from my own province which is so lovely. In any case, I hope to get some more response with regard to a question I directed to the Secretary of State for External Affairs (Mr. MacEachen) on November 12, having to do with bilateral discussions between Canada and certain other nations on fisheries matters following the multi-national negotiations which have taken place at various conferences on the Law of the Sea.

It is obvious that bilateral negotiations are going on between Canada and other nations such as Norway, Mexico, the United States, and now these discussions are being extended to include other nations such as Poland, Spain, and Portugal. But what bothers me is the fact that no mention is ever made of any discussions that are taking place between Canada and France. It is a wonder, because Canada is in the position where even if she wanted to extend unilaterally a 200 mile limit, the French nation has a trump card in that it possesses, sovereignty over St. Pierre-Miquelon, which juts out right in front of Newfoundland. It is not only in that strategic position but more definitely in front of Canada and the North American continent.

The Secretary of State for External Affairs can tell me as often as he wants that he will take my questions as notice because he doesn't have the answers at his fingertips, but he is as well aware as I was when extracting the answers from his department that there are on-going negotiations between his department and the French authorities on the establishment of equidistant boundaries between the Burin peninsula in Newfoundland and the land mass of St. Pierre-Miquelon.

The minister knows as well as I do what is going on, and it smacks of a jellyfish attitude that Canada will not exert her right to demand that a nation with the land mass of Canada should not have to resort to accepting equidistant boundaries with a land mass of such minuscule proportions, and accept the assertion of France which continues to treat Canadians as country cousins.

● (2210)

The islands of St. Pierre and Miquelon lie, at their closest point, 14 nautical miles south of Newfoundland, but the Canadian island known as Little Green Island lies only three miles from the French coastline. Canada's view is that a median line should be drawn between Little Green and St. Pierre, which would put the boundary one and a half miles from the French coast. The French have argued that the boundary should be mid-channel between their islands and the Burin peninsula, which would give no territorial sea at all to Green Island, which is part of Canada.

I could go on and deal with the facts I have extracted from research that I have done, but it is becoming more obvious every day that Canada with its great land mass does not have the guts to say to the French nation, which is treating us like country cousins, that it has a little blob of land close to Canada which is denying Canada's right to extend its limit to 200 miles. Indeed the French are saying that they can extend their limits as of their own right.

One of the things I have not mentioned is Canada's position as it concerns France, which should be of more importance than geography. France did not invite Canada to the economic conference of six nations, and France still owes us a bill of $11 million when they kicked us out of their NATO bases. It is now 1975 and we do not have the guts to demand payment of the bill. The only excuse the government gives is that it is waiting to see what the United States is going to do about its $100 million bill and the bill of the United Nations amounting to $380 million.

I can only deplore the position Canada is taking in allowing this little blob of land, ten miles by ten, to deny our rights to protect the mineral resources of this country, a matter so important to the province of Newfoundland and to the oil resources off the shores of Newfoundland. We are allowing this nation to hold this over our heads and demand what they can of the North American continent.

To me the whole situation smacks of stupidity. It is ridiculous, and makes Canada look like an embarrassed little dot in the eyes of the world.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, I appreciate this opportunity to reply to the hon. member. I do so, of course, on behalf of the Secretary of State for External Affairs (Mr. MacEachen) and his parliamentary secretary. May I begin by extending to the hon. member the regret of the minister and his parliamentary secretary at being unable to be present this evening to respond directly to the hon. member's concerns.

I should like to advise the House on the status of our negotiations with France concerning the delimitation of the continental shelf in the area off the islands of St. Pierre et Miquelon. With respect to the narrow waters lying directly between the north and eastern coasts of the St. Pierre and Miquelon islands and the Newfoundland mainland, the agreement between Canada and France on their mutual fishing relations which came into force in March, 1972, provides for a delimitation line between the territorial waters of Canada and the zones submitted to the fishery jurisdiction of France. Negotiations between Canada and France were held in 1972 with respect to the delimitation of the continental shelf in the area to the south of the French islands, but these negotiations have proven inconclusive for the time being.

Following the conclusion of the Law of the Sea Conference, both sides will have more time to pursue further negotiations and hopefully arrive at a satisfactory resolution of this question.

TRANSPORT—GOVERNMENT INTENTIONS WITH REGARD TO USE OF CANADIAN SHIPS TO MOVE OIL FROM ARCTIC

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, concern over the presence in Canada of Arctic vessels other than those of Canadian ownership carrying Canadian crews prompted me the other day, as it has other hon. members of the House, to question the Minister of Transport (Mr. Lang) with respect to assurances that the government was giving consideration to introducing legislation that would have the effect of requiring removal of natural resources from the Canadian Arctic by Canadian ships of Canadian registry.

For ten years that I can remember in this House such an undertaking has been the expressed concern of myself and, as I mentioned, of many others. In recent years we have had the assurance of ministers such as the immediate past occupant of that portfolio that such, indeed, was the desired objective. Indeed tomorrow, if all goes well, we should have before the House for second reading the new, and I suggest most welcome, maritime code legislation.

What gives rise to apprehension is the absence of any direction in this new bill dealing with the question of closing the area north of 60 degrees by way of legislative action.

The question was prompted by the efforts, for example, of Panarctic to secure from outside Canada the type of ship which would be capable of transporting liquid natural gas from the Arctic to the eastern seaboard. That is not to mention plans that are currently on-going in the United States for the transportation of oil and other resources out of the Arctic, that portion that lies contiguous to U.S. soil, eastward through the northwest passage and then down the eastern seaboard to U.S. refineries.

Having regard to the intention in respect of the north, I could go through a long series of correspondence. As recently as the end of July the former minister of transport, after a long explanation as to why we had not done anything particular at this point in time, went on to say in a letter signed by him:

—it would be less than realistic for me to suggest that we could, at the present time, envisage a policy which banned under any circumstances, any importation whatsoever of any vessel—or technology for any vessel—destined for use in the Canadian Arctic.

That is going a little bit far and I do not think anybody would really suggest that. What we are really going after is what was suggested by the Minister of Indian Affairs and Northern Development (Mr. Buchanan) on October 25, as reported in the Calgary *Albertan*. The minister was speaking to some 300 businessmen at a conference on the north. He said the following, and I will quote only the pertinent parts. He said government policy was intended to:

"—achieve more substantial" results in the effort to keep the benefit of northern development in Canada.

In particular he said he would:

Increase the purchase of equipment and services for development from Canadian firms;

Increase the "participation of firms beneficially owned and controlled" by Canadians;

Encourage resource companies "to rationalize their sourcing purchasing in Canada for their world operations."

It is more along these lines that those in the House who have some concern for development in the north rise to seek assurances and commitments from the government that it indeed will go in this direction.

No one expects Canada to be able to supply our shipping needs over night. There are interim periods of adjustment which have to be made. The provisions for the orderly issuance of permits for the orderly development of an operational capability have to be taken into consideration. We are aware of the need for co-operation, and we are aware of the need to look elsewhere from time to time for certain types of expertise. However, we appear not only to ourselves here in this Chamber, but to those throughout the world, to be ignoring the potential of the Arctic. One of our first steps must surely be to require that after a certain date, probably 1985, no resources should be removed by water from Canada's northern waters other than in Canadian-built, beneficially Canadian-owned and Canadian crewed ships. This is the least that is acceptable to Canadians.

To fail in this will be to abandon to foreign cartels the benefits of "first in" in respect of extractive industry in the north. Surely the government recognizes the position of the shipping community in this regard. Give the Canadian shipping community a reason to start planning and it will act. Here in Canada we have the technology and the expertise; we have the capacity to raise the fundings, the capacity to expand our shipyards to accommodate the required building program, and we have the capacity to produce the trained crews. In spite of what some may

think, we have a highly stable seafaring labour pool. I say "stable" in the sense that no strikes have occurred, for example, in the SIU since the departure from our shores of Hal Banks.

● (2220)

I will simply call upon the parliamentary secretary and the government to serve notice that it is in fact our intention to move in this direction, that it is our intention to bar foreign shipping from these northern waters. I call upon the government to prepare legislation for submission to parliament during this session, and not waste four or five more years while we lose the opportunity. I say that where we need foreign expertise and help let us get it, and where we need co-operation let us have co-operation, but whatever we do let us give notice to the world that it is our intention to protect the extractive industry for ourselves.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, recently there has been discussion in the House concerning the use of Canadian ships in the Arctic, at which time the minister replied to certain queries posed by the hon. member for Dartmouth-Halifax East (Mr. Forrestall). In view of the interest which has been expressed, it is apparent that a somewhat more detailed response might be of value to the House.

The matter of Arctic shipping is an important area, and new policies to assist Canadian shipping were announced in the Speech from the Throne and in the statement of new transportation policies for frontier areas of Canada. The general theme has been one of the need to encourage Canadian ship operators, builders, and designers to take initiatives and develop the new technology and operating skills for future large scale developments. The most direct and meaningful development is that of the Arctic "Class 2" icebreaking cargo vessel, to be built and operated by the Canadian shipping industry with government participation and financial support.

I am pleased to be able to report that the Minister of Transport (Mr. Lang) made an announcement on this very project just this afternoon. This particular vessel, which will be called the *MV Arctic*, a famous name in the annals of exploration of the Canadian Arctic, is a bulk carrier designed to operate in the high Arctic where two lead zinc mines are now in different stages of development. The Strathcona Mine on Strathcona Sound is due to come on stream in 1978-79. The Canadian government has an 18 per cent share in this mine. The second mine, at Little Cornwallis, so called the Polaris Project by Cominco, is presently seeking an export permit and is due to begin export in 1978-79 also.

There is no explicit policy which requires the use of Canadian vessels for movement of goods or minerals out of Canada, as there is for the coasting trade. However, in the granting of export permits both the mineral mines mentioned will be required to offer, if available, a proportion of their production to Canadian ships. It should also be noted that Bill C-61, the Maritime Code Act, which is now before the House, contains additional provisions to reserve the coasting trade for Canadian shipping.

Officials of the Ministry of Transport, the Department of Industry, Trade and Commerce, and INA are presently working on the matter of transportation and related industrial benefits associated with this element of resource development. The *MV Arctic* was conceived and supported by private industry, Federal Commerce and Navigation, with the co-operation of the Department of Industry, Trade and Commerce and the Ministry of Transport. This support was based on the need to encourage the construction of Arctic ships which are more expensive than normal vessels, for early mineral developments, and to use this ship as a model or prototype of larger vessels for movement of oil and gas out of the Arctic to southern Canada to meet future energy requirements.

Such requirements are becoming more urgent and the consensus is that only ships can be used, at least initially, to move the oil to market. The transportation of oil from the Arctic Islands, or an offshore island in the Arctic, to the Canadian mainland is subject to the new coasting trade laws and as such the cargo will be reserved to Canadian-flag vessels.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Friday, November 21, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HIGHWAY SAFETY

PROPOSED SUPPORT FOR LEGISLATION MAKING USE OF SEAT BELTS COMPULSORY—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, guided by your advice and the advice of others in this House, I would rise to propose a motion under Standing Order 43. In view of the impending proclamation of legislation making the use of seat belts compulsory in one and perhaps two or more provinces by January 1 of next year, and realizing the high density of interprovincial traffic which could be seriously inconvenienced by the proliferation of differing rules in this field of public safety, I move, seconded by the hon. member for Hamilton Mountain (Mr. MacFarlane):

That this House supports the efforts of provincial governments in implementing laws designed to protect Canadians through the legislated use of safety belts, and encourages these governments to achieve uniformity across Canada in such laws, where practical.

Mr. Speaker: Order, please. The provisions of Standing Order 43 require the unanimous consent of the House before the said motion can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF GUIDELINES TO FEDERAL AND PROVINCIAL MARKETING BOARDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. In light of the fact that the Minister of Agriculture said in response to my question on October 22 that marketing boards would be specifically subject to review by the Anti-Inflation Board and that the Anti-Inflation Board would be in a position to demand justification from marketing boards for increases in prices, I should like to know how the Minister of Finance reconciles that with his position before the House committee yesterday when he said that the Anti-Inflation Board is welcome to "monitor anything it wants" but it will have no authority over the Canadian Egg Marketing Agency?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as the hon. gentleman would note if he went on to read the transcript, I pointed out that the Act does not provide for enforcement procedures against the Canadian Egg Marketing Agency. We had a very lengthy discussion about this in the committee, and I made it clear that indeed the board could monitor and could make inquiries of the agency in respect of any particular act, and then make reports to the government and to the public in this particular area, but it is the enforcement procedures that do not apply in that particular case.

Mr. Stanfield: In other words, Mr. Speaker, the latest version is that the guidelines do not apply to marketing boards, contrary to the impression given earlier. I understand the Minister of Finance suggested before the committee yesterday that the government would be prepared to intervene where necessary in connection with practices of marketing boards. I want to ask the minister whether it is therefore the declared policy of the government that there is no regulation of marketing boards by the anti-inflationary apparatus but that there may be intervention by the government to regulate prices by marketing boards where the government considers this to be politically expedient.

● (1110)

Mr. Macdonald (Rosedale): Mr. Speaker, I gave testimony at very considerable length yesterday on this matter and responded to questions. I just say to the hon. gentleman that he should not misrepresent the position. It is the one I stated this morning. It is clear that the enforcement provisions do not apply to the Canadian Egg Marketing Agency or other marketing boards, but that the guidelines do apply and the Anti-Inflation Board can indeed monitor the conduct of that or any other marketing board and make representations on the subject either to the public or the government. I suggest that the appropriate course of action to be taken at that point would be to act under the other law that has been passed by parliament to deal particularly with stabilization programs under which the board has been created. That was the position taken yesterday and the position taken today. It is of no particular assistance to have it misrepresented, Mr. Speaker.

ANTI-INFLATION PROGRAM—AREAS IN WHICH BOARD HAS NO AUTHORITY TO INTERVENE

Hon. Robert L. Stanfield (Leader of the Opposition): It is of no particular assistance to this House to have the position with regard to marketing boards misrepresented

from time to time by ministers. I am seeking clarification and am attempting to have the minister reconcile what he said yesterday with what has been said elsewhere and previously in this House. Finally, I want to ask the minister how he can say that in fact the marketing boards are subject to the guidelines when there is no one to enforce the guidelines unless the government intervenes. I should like to ask the minister also, in how many areas the government is reserving unto itself the right to intervene from time to time in this arbitrary fashion in areas where the Anti-Inflation Board and the administrator have no such authority?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there are a great many laws passed by this parliament. This also was dealt with at length yesterday in the committee. I think it is very clear on the record that there are a great many other responsibilities given by parliament to various bodies, for example the Canadian Transport Commission and others, to apply the guidelines in their decisions. In no sense could this be regarded as arbitrary. We have said to the whole country we would hope the country as a whole would support the guidelines in the interest of restraining inflation in this country. I have said and repeat that the Canadian Egg Marketing Agency and other institutions in the country would be expected to observe the guidelines. If they are not doing so the Anti-Inflation Board can scrutinize their conduct and can report on this to the government. The obviously sensible course, under an Act which has been passed by parliament with regard to that agency, is that action be taken by the government under that law and that in no sensible way could be referred to as being arbitrary.

ANTI-INFLATION PROGRAM—AUTHORITY TO SEIZE BOOKS OF MARKETING BOARDS TO DECIDE ON JUSTIFICATION OF PRICE INCREASES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my questions flow from the testimony of the minister yesterday and the questions of the Leader of the Opposition today. Since the marketing boards under federal jurisdiction will be exempt from the enforcement provisions of the act hence the administrator would have no authority on the minister's own admission to seize the books of these agencies to justify their increases in prices on the basis of increases in production costs, may I ask the minister what or whom in the government will be examining the books of these agencies if in fact they do not adhere to the guidelines which are by his own admission voluntary guidelines; who will be examining these books to justify whether or not increased production costs justify increases in prices?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would remind the hon. member of the opinion he was given yesterday by legal counsel that the board does not have the authority to seize anybody's books, but that the Anti-Inflation Board does have the right to seek information with regard to the operation of the Canadian Egg Marketing Agency and, under the statute which created that agency, the government of course is entitled to have full disclosure of information from that marketing board. If, from the scrutiny that the vice-chairman of the board has indicated she will be carrying on in this particular instance, there is some indication that there apparently have been unjustified increases, the government will have the power to follow this through.

ANTI-INFLATION PROGRAM—PROVINCIAL AGREEMENT ON APPLICABILITY OF GUIDELINES TO MARKETING BOARDS

Mr. James A. McGrath (St. John's East): In view of the discussions that took place here in the last days with the federal and provincial officials, and in view of the fact that the government itself is not prepared to set the example for the provinces with respect to marketing boards that are under their jurisdiction, may I ask the minister what agreement has been reached with the provinces with respect to marketing boards, the majority of which are under provincial jurisdiction?

Hon. Donald S. Macdonald (Minister of Finance): As of yet there has been no agreement with the provinces on the question of marketing agencies. There is an obvious difficulty in applying a policy to the marketing boards which, whether federal or provincial, have the long run objective of providing stability in agricultural commodities and thereby ensuring not only a fair return to producers but a fair price for consumers. But this does indeed remain an important consideration that the provincial bodies, just as the federal, should operate within the guidelines to which we have asked the whole country to adhere.

ANTI-INFLATION PROGRAM—GOVERNMENT POSITION ON PRICE FREEZE ON FOOD ITEMS

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Finance. Considering that when Bill C-73 finally becomes law we will have effective wage and salary control but not price control and considering that the price freezes announced by some of the food chains yesterday exclude such essentials as meat, eggs and produce, items which account for the bulk of food purchases, would the government now consider initiating a real price freeze on all food items?

Hon. Donald S. Macdonald (Minister of Finance): I do not accept the preamble of the hon. member's question. Of course, with regard to food, as with regard to other commodities, if there are cost increases from time to time then inevitably these will have to be passed on so that a freeze for any length of time would only make certain that there would not be adequate supplies coming through on the market for Canadian consumers rather than assisting the situation.

ANTI-INFLATION PROGRAM—REQUEST FOR ASSURANCE PRICE FREEZE ON FOOD ITEMS ANNOUNCED BY SUPERMARKETS—WILL BE MONITORED

Mr. Edward Broadbent (Oshawa-Whitby): To follow that up and to follow the announcement of the food chains made yesterday, will the minister assure the House that the items that the chains have claimed they will freeze now for a given period of time will be monitored by the government to ensure that these freezes are in fact kept on for the period which the companies announced?

Hon. Donald S. Macdonald (Minister of Finance): I think it is clear that the chains have recognized the effectiveness of the gross margin controls that are provided for in the guidelines and the Anti-Inflation Board will be responsible for making certain that these gross profit margin controls continue to be applied and will be monitoring very carefully any mark-ups that occur.

ANTI-INFLATION PROGRAM—APPLICABILITY OF GUIDELINES TO OIL COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): I have a final supplementary question concerning prices but in the oil field. In view of the pervasive influence of energy prices throughout the economy, can the minister tell the House whether the government has reconsidered its position on oil prices and come to the decision that the anti-inflation guidelines should apply to the oil industry as well as to other sectors in the economy?

Hon. Donald S. Macdonald (Minister of Finance): They do apply to the oil industry. If the hon. member is talking about petroleum companies, they do indeed apply to them. They do not apply to the OPEC nations, I can assure the hon. gentleman of that, but they do apply to petroleum companies as they do to anyone else.

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[Translation]

AIR TRANSPORT

AIR TO GROUND COMMUNICATIONS—GOVERNMENT REACTION TO MR. McLISH'S GUIDELINES RELATING TO BILINGUALISM

Mr. René Matte (Champlain): Mr. Speaker, I wish to put a question to the Minister of Transport.

When my colleague from Rimouski put his question the day before yesterday, I had an important supplementary, but unfortunately I was not recognized. Therefore, I would like to obtain today from the Minister of Transport some explanations on the matter. Could the minister say how he intends to thwart the instructions of Mr. McLish concerning air to ground communications, so that in that field we may at least respect the minimum requirements of the French fact in Canada?

● (1120)

[English]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as was indicated by the Prime Minister in the House of Commons a couple of days ago, the current specific order to which the hon. member refers was not any essential change in policy in regard to the use of language in air traffic control. It had been understood, when my predecessor saw an order go forward which allowed the use of the French language in flights which are visual in nature, that those on instrument flights would not be allowed to use any language except English, and also that the airports would be limited to the five in question. The recent order which was issued was simply somewhat more precise in regard to definition of instrument flight as distinct from visual flight and was no change. I have been asking parties on all sides to act in the best possible faith in terms of our examination of the question of safety in relation to air traffic, while wanting to accommodate those pilots—to the extent possible and consistent with safety—who use the French language much more conveniently, or at all, compared with the English language.

The study in relation to the possible use of the French language in other areas of flight operations is going on with an assurance by me that safety will be always borne fully in mind in any change which is contemplated.

[Translation]

Mr. Matte: Mr. Speaker, I should like to put a supplementary question. Could the minister say whether discussions are now being held on that subject between Ottawa and Quebec, taking into consideration the enforcement of the legislation making French the official language in Quebec?

[English]

Mr. Lang: Of course, provincial legislation has no direct bearing upon the use of language in terms of federal government operations or those controlled under federal jurisdiction where, rather, our official languages legislation is the controlling feature. Discussions are going on between my officials and various persons involved in the air industry concerning questions of language and safety. I had a conversation a week or so ago with Mr. Lalonde from the provincial government in Quebec. He is the minister responsible for certain questions relating to language.

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EXTERNAL AFFAIRS

REASON FOR DELAY IN ACCEPTANCE BY FRANCE OF CREDENTIALS OF CANADIAN AMBASSADOR

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to direct my question to the Acting Prime Minister. Considering that the new Canadian ambassador to France, Mr. Pelletier, has been cooling his heels for the past three weeks and more without being able to submit his credentials to President Giscard d'Estaing or Quai d'Orsay, and considering that this was to take place the day before yesterday but was postponed to today, and yesterday it was postponed again, I should like to ask the Acting Prime Minister if he would advise the House what is happening and why?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I shall make inquiries about that, but I would not want anyone to draw the inference that there has been any deterioration whatever in relations between Canada and France.

An hon. Member: Rubbish.

Some hon. Members: Oh, oh!

Mr. Wagner: Would the Acting Prime Minister undertake to look into this matter, to communicate with the

ambassador and to advise the House if in fact this is not a further indication, in the aftermath of Rambouillet, of a deterioration of Franco-Canadian relations?

Mr. Sharp: Perhaps my hon. friend did not hear, but I said quite clearly that there has been no indication whatever of any deterioration in relations between Canada and France. Perhaps he is trying to create an impression like that. I deny it most vigorously.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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POST OFFICE

STRIKE OF INSIDE WORKERS—POSSIBILITY OF RESUMING NEGOTIATIONS—ALLEGED UNION OFFER TO NEGOTIATE HOURS OF WORK

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in the absence of the Postmaster General I should like to put a question to the Acting Prime Minister. Yesterday in the House the Postmaster General indicated in answer to a question from the Leader of the Opposition that union and government negotiations might soon resume in the Post Office situation, and that the monetary package contained some flexibility that the government was prepared to consider. Has there been any progress in the past 24 hours to indicate that the government will be able to resolve the dispute in the near future and not have it continue until next Easter or until kingdom come as the Prime Minister said in Grey Cup country?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have not heard of any further negotiations that have taken place but I would not want the position of the Postmaster General to be misrepresented in any way. He made it very clear that as far as the monetary package was concerned the government has said its final word on that. The details do not affect that particular principle.

Mr. Clarke (Vancouver Quadra): A supplementary question. Has the government received any indication that, as reported yesterday in the London *Free Press*, the union would be willing to accept the monetary offer of $1.70 an hour but now wants to return to the bargaining table to negotiate other items such as hours of work?

Mr. Sharp: Mr. Speaker, if the union made that sort of offer to the Postmaster General I am sure he would accept it.

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INDUSTRY

WORK GLOVES—SUGGESTED MODIFICATION OF TARIFFS AND MEETING WITH INDUSTRY REPRESENTATIVES

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Has a decision been arrived at with respect to modifying the import tariff on cheap work gloves into Canada in view of the allegations and the concern expressed by Canadian manufacturers that the Hong Kong imports are causing grave prejudice to our home grown manufacturing industry? Is the minister prepared to meet with the industry spokesmen in the near future to discuss the problem with them?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. I would be quite prepared to meet with them at an appropriate date. In the meantime, activities and studies are going on in relation to this matter. I have been made aware of it and I met with the Clothing and Textile Board on Monday. I hope we will have some decision on this matter in the relatively near future, although I cannot be specific as to dates at the moment.

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ENERGY

OIL—DISCUSSIONS WITH UNITED STATES PRIOR TO ANNOUNCEMENT OF REDUCTION IN EXPORTS—POSSIBILITY OF RETALIATORY MEASURES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Could the minister tell the House whether there was discussion with the appropriate United States representatives before the public announcement of the oil export cuts to that country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I met with officials of the United States about ten days ago.

Mr. Gillies: A supplementary question. Can the minister tell the House what the reaction of the officials of the United States government was in response to the announcement of the Canadian government's policy. Can he assure the House that no substantive retaliatory measures will be taken by the United States in other areas.

Mr. Gillespie: Mr. Speaker, I think the United States officials understand the facts as well as we do. When there is no oil to export there is no oil to export. Clearly, it was an unpleasant piece of information that I had to convey to them but they accepted it.

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TRANSPORT

BORDEN-TORMENTINE FERRY SERVICE—NEED FOR IMPROVEMENT FOLLOWING WITHDRAWAL OF WOOD ISLANDS-CARIBOU SERVICE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question for the Minister of Transport is on the same subject as an inquiry directed to him the other day by the honourable and gallant member from Malpeque. Can the minister advise if appropriate steps have been taken to update the Borden-Tormentine ferry service to meet the heavy demand being placed upon it consequent upon the withdrawal of the Wood Islands-Caribou service?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, my inquiry indicated that the capacity available was in fact meeting the needs of the moment. If the hon. member has any specific information to the contrary I will be able to look further into the matter.

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NATIONAL REVENUE

ALLEGED ORDER REQUIRING MANUFACTURERS TO BRING SALES TAX PAYMENTS TO FEDERAL OFFICE—GOVERNMENT ACTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of National Revenue. Federal sales tax is normally paid by mail but in Belleville this week manufacturers are being told to bring their payments in to the federal tax office or face penalties. Will the minister countermand this very unfair order and allow manufacturers to mail their tax payments as usual so that the government will begin to suffer the consequences of their own policies?

Some hon. Members: Hear, hear!

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I hope that the people who can will comply with the order. The second part of the hon. member's question strikes me as being patently unfair, and I will have to look at it.

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COMBINES

REQUEST FOR INVESTIGATION OF ALLEGED PRICE MANIPULATIONS BY TOBACCO COMPANIES

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question was for the Minister of Consumer and Corporate Affairs but in his absence I will direct it to the Acting Prime Minister. Could I have one supplementary, Mr. Speaker?

In view of the fact that companies purchasing tobacco on the farmers' auction exchanges in Delhi, Tillsonburg and Aylmer have consistently offered prices lower than last year, despite increased cost to farmers, all of which have given rise to allegations of price manipulations on the part of the companies, will the minister immediately launch an investigation into the validity of these charges?

● (1130)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take this suggestion into consideration and refer it to the proper minister.

Mr. Knowles (Norfolk-Haldimand): A supplementary question, Mr. Speaker. Will the Acting Prime Minister discuss these allegations with the Minister of Agriculture upon his return to Ottawa, as he is familiar with the operation of marketing boards?

Mr. Sharp: Yes, Mr. Speaker.

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBILITY OF RESUMING NEGOTIATIONS

Hon. Mitchell Sharp (Acting Prime Minister): May I clarify an answer I gave to the hon. member who asked me about the possible resumption of postal negotiations. I did not hear the question accurately. A colleague has told me that one of the conditions is a change in the hours of work, which is part of the monetary package and not negotiable.

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PUBLIC SERVICE

REQUEST FOR EXPANSION OF PENSION AREAS DEALT WITH IN BILL C-52—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the President of the Treasury Board and arises from the firm undertaking the parliamentary secretary gave last night to the special joint committee. He suggested, when dealing with Bill C-52, that the government would not entertain motions to expand the areas affected by the bill with respect to pensions beyond the royal recommendation. Is the government contemplating further legislation, perhaps early in the New Year, dealing with five or six major areas which the government, for whatever reason, has not included in Bill C-52.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the President of the Treasury Board, at the appropriate time, will make a statement on this matter.

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CANADIAN EGG MARKETING AGENCY

ALLEGED RESIGNATION OF CHAIRMAN, MR. WORSDALE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I direct my question to the Acting Prime Minister in the absence of the Minister of Agriculture. Will he confirm if Mr. Leslie Worsdale, the Chairman of CEMA, resigned last night and, if so, for what reason?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I cannot confirm it. I am not aware of the fact, if it is one.

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FINANCE

POSSIBILITY OF GOVERNOR OF BANK OF CANADA REPORTING REGULARLY TO PARLIAMENT ON MONETARY POLICY—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Prime Minister may I direct my question to the Minister of Finance? The Governor of the Bank of Canada having said that there has never been any doubt about where the ultimate responsibility for monetary policy resides, it resides with parliament, will the minister

say if consideration has been given to allowing the Governor of the Bank of Canada to report regularly to parliament, say, every three months, when he could indicate what is to be the monetary stance of the Bank of Canada for the next ensuing period?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, perhaps I may correct the hon. gentleman. Parliament, under legislation governing the central bank, has given ultimate responsibility for monetary policy to the Minister of Finance. When the minister makes policy statements from time to time, they result from discussions between the Governor of the Bank of Canada and the Minister of Finance. I am not sure if it would be useful to initiate the periodic practice; certainly, it would be useful if the Governor were to appear regularly before the standing committee, to discuss the principles underlying the decisions taken from time to time on monetary policy.

STATEMENT OF GOVERNOR OF BANK OF CANADA ON PERCENTAGE GROWTH IN MONEY SUPPLY—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. Is the minister aware that when the Governor of the Bank of Canada appeared before the Standing Committee on Finance, Trade and Economic Affairs he indicated that, according to his estimate, the proper monetary stance for Canada would be a growth in the money supply of not less than 10 per cent and not more than 15 per cent? If the minister is aware of this, does he agree with the Governor, bearing in mind that the suggested growth in our money supply is twice as large as the growth of the money supply in the United States, which is to be kept between 5 per cent and 7½ per cent?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I suggest that if the hon. member opposes the Governor's point of view, he advocates for Canada a very strict monetary policy and, therefore, a very high rate of unemployment.

Mr. Stevens: Mr. Speaker, may I direct a final supplementary question to the Minister of Finance? Does the minister consider that a growth rate between 10 per cent and 15 per cent in our money supply which, incidentally, will be the highest rate of growth in the past 30 years after real economic growth is discounted, is acceptable? Second, how can he relate such growth to the government's announced restraint program?

Mr. Macdonald (Rosedale): Apparently the hon. member has not read attentively what the Governor said. The hon. member suggested that the figure would be 15 per cent, after real growth had been taken into account. The Governor made it clear that one of the elements included in the growth of the money supply would be the real growth rate. What is more, the Governor set it as an objective and said, in his testimony, that it would be below 15 per cent.

[Mr. Stevens.]

ENERGY

OIL—POSSIBLE TAKEOVER OF INDUSTRY BY PETRO-CANADA TO INCREASE EXPLORATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Since the National Energy Board report tabled yesterday shows that the oil companies are slowing their exploration programs, despite the substantially increased profits of the first nine months of this year, on top of their astronomical profits last year, is the government not convinced that the time has come for it to use Petro-Canada to take over a substantial segment of the western oil industry, for the purpose of expanding exploration and launching a secondary recovery program in the western oilfields?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the hon. member has read more than the National Energy Board report when he suggests that there has been a slowdown of exploration in Canada. Dealing with the second proposition, that Petro-Canada should take over a substantial part of the oil industry, I assure the hon. member that my party does not stand for nationalization of the oil industry in Canada.

Some hon. Members: Hear, hear!

Mr. Gillespie: We believe that joint public and private enterprise can and will answer the need for Canadian exploration and development.

OIL AND GAS—REQUEST FOR ASSURANCE PRICE INCREASES WILL BE WITHIN ANTI-INFLATION GUIDELINES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. As the minister is reported to have said at yesterday's press conference that the prices of oil and natural gas will probably rise after July 1 next, will the minister assure the House that any increase in price of domestically-produced oil or gas will be within the guidelines of the anti-inflation program?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): No, Mr. Speaker. It has been made clear a number of times that the hon. member and the House cannot expect that. Indeed, the white paper makes it clear that the oil industry is in a separate category. There may be some confusion between the hon. member and his leader as to whether we are talking about wellhead prices, or costs after the wellhead. I think the Minister of Finance made it clear in his answer this morning that the guidelines will apply after the wellhead.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask a final supplementary question? I do not think my leader and I ought to get together; I suggest that the Minister of Finance and the Minister of Energy, Mines and Resources ought to get together; if you put the two together, you will have one whole wit.

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I ask the minister, will the consumer price of oil and gas be

raised after July 1, in accordance with the government's guidelines laid down in the anti-inflation program?

Mr. Gillespie: Mr. Speaker, if there is to be an increase in the wellhead price of oil, I expect that increase, that crude increment, to be passed on in higher prices consistent with the guidelines.

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● (1140)

[*Translation*]

ENVIRONMENTAL AFFAIRS

RELATIONSHIP BETWEEN DREE GRANTS AND INSTALLATION OF ANTI-POLLUTION DEVICES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of the Environment.

Considering that the Department of Regional Economic Expansion sometimes dictates specifications to certain industries, such as those which install anti-pollution devices and which, to this effect, apply for grants, and considering that the payment of grants is delayed until the Department of the Environment has made its recommendations, in other words after the work has been done, could the minister tell this House whether final acceptance of the installation of these systems comes under the federal department or under the Quebec department of environment?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, when the Department of Regional Economic Expansion gives a grant to an industrial establishment, the latter must comply with the norms set by the Department of the Environment in two ways. First, as the federal government finances part of this enterprise, the company must comply with the standards of the Department of the Environment on the anti-pollution equipment. The province is responsible for implementation of these standards. Any new establishment must comply immediately with the standards. Now, the federal government allows these industries to amortize this anti-pollution equipment over a period of two years, which is very quickly. Therefore, it does not hamper new industrial establishments in any way.

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to ask the Minister of Regional Economic Expansion a supplementary question.

In light of the answer the Minister of the Environment has just given, may I ask the minister if, when subsidies are delayed because the Quebec department concurrence is overdue, it is his department's responsibility to speed up the answer or certification of the provincial ministry of the environment and can it do so to prevent the industry which is relying on the subsidies from being penalized?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I wish to tell the hon. member that it is not specifically our responsibility to do so, but there is no doubt our department is eager to make payments in keeping with the agreement. We try as much as possible to prevail upon our provincial counterparts so that the measures you are referring to may be accepted and the necessary inspections carried out before the payments are made. We try to be as informal as possible to win their cooperation.

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[*English*]

EXPORT DEVELOPMENT CORPORATION

DATE OF DECISION ON CONTRACT CLAUSE BOYCOTTING TRADE WITH ISRAEL

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. On June 2 last the former minister stated that the government was considering what its policy should be on the matter of the Export Development Corporation and the Arab boycott of Israel. On July 25, I asked that minister whether the government had completed its consideration of the matter. He replied it was still under consideration. Has the cabinet now completed its consideration and, if so, what conclusion has it reached?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): No, Mr. Speaker, it has not completed its consideration. This has been basically as a result of my preoccupation with other matters in the few weeks since I have taken over. However, I believe it is scheduled for consideration either two or three weeks from Monday coming.

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POST OFFICE

STRIKE OF INSIDE WORKERS—DATE OF RESUMPTION OF OPERATIONS

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Postmaster General. In his absence, I will direct it to the Acting Prime Minister. Ninety-nine per cent of the inside workers and letter carriers in the vast area of the Churchill constituency are now back to work. When will this government make arrangements to get mail moving so that Canadians and postal workers in this large area who want to work will have that opportunity?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is our hope that inside postal workers throughout the country, will soon be following the same course as those in Churchill.

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PENITENTIARIES

MILLHAVEN—REQUEST FOR REPORT ON GASING AND BEATING OF INMATES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I wish to direct my question to the Solicitor General. The report on the investigation of the November 3 gasing and beatings at Millhaven is now before the Commissioner of Penitentiary Services. Is the Solicitor General in a position today to give the House a full report on the incident?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I can only say that following the gasing incident, there was a suspension of a penitentiary employee. That employee has now appealed the suspension. There will be a hearing shortly.

Mr. Hnatyshyn: Can the Solicitor General tell the House whether any of the guards involved in the November 3 incident were involved in the 1971 Millhaven riots?

Mr. Allmand: I will have to check that, Mr. Speaker, and report to the hon. member.

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NATIONAL REVENUE

ALLEGED RESTRICTIONS ON OPERATIONS OF FIELD AUDIT OFFICERS—GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is to the Minister of National Revenue. It is supplementary to the one I asked yesterday. The minister has notice of the question. Now that his army of auditors in British Columbia have been stripped of their armour, what are these people doing in the regional offices? Is it now time for me to inform my constituents that the Income Tax Act is voluntary in the same way that the anti-inflation program will be?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I compliment the hon. member on the beautiful way he puts his questions. Because of the notice given, I checked into the information that went to the officers to determine if what in fact the hon. member is implying is true. The last thing I want to do is strip them of anything.

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ENVIRONMENTAL AFFAIRS

DATE OF SIGNING AGREEMENT WITH BRITISH COLUMBIA

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I have a question for the Minister of the Environment. In August the minister told officials in the Okanagan that she was going to sign the implementation agreement within two weeks. In the three answers she has given in this House starting one month ago, she said she would sign it "shortly", "soon" and "in due time". This agreement is between the province of British Columbia and the federal government. Will the minister now tell the House the real reason why she is not signing this implementation agreement?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I will be signing the agreement as soon as I am able to determine from the province of British Columbia the period over which the money called for in the agreement will be spent. We are now in the process of doing that. As soon as this is completed, the agreement will be signed. We are most anxious to sign the agreement in order that the water basins of the Okanagan Valley can be properly managed.

[Mr. Hnatyshyn.]

EXTERNAL AFFAIRS

AGREEMENT BETWEEN FRANCE AND UNITED STATES ON EXCHANGE RATES—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Acting Prime Minister. A couple of days ago I asked a question about the accord arrived at between the Republic of France and the United States in connection with that part of the meeting which dealt with one of the major causes of inflation, namely the fluctuating rates for exchange that sometimes bear a direct relationship to organized rates. The answer given at that time was that the government of Canada had not received this agreement, although the President of the United States said the agreement was forwarded to 18 countries directly or indirectly affected. Has the government received any representation from the United States or the Republic of France in connection with that accord which should be receiving consideration to meet in part the problem of inflation?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I shall take notice of this serious question. I will find out whether, in fact, we have received any messages from either of these governments.

REASON FOR DELAY BY FRANCE IN ACCEPTING CREDENTIALS OF CANADIAN AMBASSADOR

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a question arising out of the question asked by the hon. member for Saint-Hyacinthe in respect of the Ambassador to France for Canada. Why has there been this delay in the acceptance of his credentials in Paris? The minister said it did not have anything to do with a depreciation of the relations between Canada and France. There must be some reason why Mr. Pelletier is cooling his heels when matters as important as the one to which I have referred should be receiving consideration.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I understand the reason is that the president has a very long list of ambassadors who have not yet presented their credentials. I should like to say, through you, Mr. Speaker, to all members that once again I resent the effort being made by the opposition to create a rift between Canada and France.

● (1150)

Mr. Diefenbaker: Mr. Speaker, the annoyance displayed by the usually equable gentleman indicates what actually is taking place is that France is fed up with the kind of treatment Canada is giving it.

Mr. Peters: It is fed up with the kind of ambassadors we send, too.

NATIONAL DEFENCE

POSSIBLE CHANGE IN PRIORITY FOR NATO FORCES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Acting Prime Minister. In a recent announcement, the Minister of National Defence seemed to recommend a priority in defence spending for the acquisition of a new tank for the Canadian forces in NATO. If this is so, does it indicate a reversal of priorities announced by the Prime Minister some time ago which put the defence of Canadian sovereignty first and the support of Canada's NATO forces third in priority?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, there has been no change in priorities. Even under the priorities which were established and still remain, it will be necessary to do something about the equipment of our troops in NATO.

POSSIBLE PURCHASE OF TANKS FOR NATO FORCES—EFFECT ON ACQUISITION OF LONG-RANGE PATROL AIRCRAFT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a supplementary question for the Minister of National Defence. Assuming that spending priority is given to the purchase of NATO tanks, would this mean that the necessary funds to acquire the Boeing long range patrol aircraft would have to come from some department other than the Department of National Defence, and would the alternative acquisition of the cheaper Lockheed Orion have a capability for anti-submarine defence only and no adequate capability for fisheries and sovereignty patrol?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as the Acting Prime Minister has said, our priorities remain as in the white paper of 1971. Our procurement decisions are now before cabinet. I expect to be making an announcement probably next week, but before going to Brussels in December, of the decisions we have made concerning a long range patrol aircraft and the re-equipping of our forces in Europe. This announcement will answer the questions that have been put.

I could go into a great deal of detail concerning the two aircraft that are in competition. They are both capable of performing the role but there are some industrial benefits that may be achieved which are currently being examined interdepartmentally. The conclusion will be reflected in the announcement next week.

* * *

LABOUR CONDITIONS

STRIKE OF PULP AND PAPER WORKERS—GOVERNMENT ACTION TO ENSURE RESUMPTION OF NEGOTIATIONS

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is directed to the Minister of Labour. I am sure the minister is well aware that almost 20,000 pulp and paper workers across Canada are out of work due to labour disputes, some entering their fifth month. In view of the importance to the Canadian economy of the pulp and paper industry, what action does the government plan to take to encourage both parties to begin serious bargaining in good faith?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as has been mentioned, this Anti-Inflation legislation is not designed to discourage the collective bargaining system from working within the parameters set by the legislation. We hope that the employers in question will sit down with the union, which has asked that negotiations be started and that they will keep the legislation in mind. This is what the government is urging the employers to do in this particular case, so that hopefully we can resolve this very serious strike which is most injurious to the Canadian economy.

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POST OFFICE

STRIKE OF INSIDE WORKERS—POSSIBILITY OF ESTABLISHING PICK UP AND DELIVERY SERVICE FOR SMALL BUSINESSES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the absence of the Postmaster General may I direct my question to the Acting Prime Minister. In view of the fact that government employees are being sent to pick up federal sales tax payments from businesses in some areas, would the government consider establishing a similar pick up and delivery service for accounts due to small businesses so they will have the funds on hand to meet their obligations to the government and others?

Hon. Mitchell Sharp (Acting Prime Minister): To that specific suggestion, Mr. Speaker, the answer is no. Various groups are making their own arrangements and the government is not discouraging them.

STRIKE OF INSIDE WORKERS—ACCEPTANCE BY GOVERNMENT OF RESPONSIBILITY FOR LOSSES CAUSED BY STRIKE

Mr. Stan Darling (Parry Sound-Muskoka): A supplementary question, Mr. Speaker. Will the government accept responsibility for financial loss caused by the postal strike and set up a claims agency or department to provide payments to business establishments that have suffered greatly through this strike?

Mr. Speaker: Order. That question was answered yesterday.

* * *

CENTRAL MORTGAGE AND HOUSING CORPORATION

SUGGESTION CORPORATION NOT SELECT LAWYERS FOR MORTGAGORS—GOVERNMENT POSITION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct my question to the Minister of State for Urban Affairs. Would the minister now recognize, as have all ministers responsible for Central Mortgage and Housing Corporation before him, that it is morally wrong for a government agency to select the lawyers who do the work for the mortgagors, and will he bring CMHC up to the

practices of private lending institutions, most of whom have given up this disgusting form of patronage?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I think the corporation follows practices that are common practices in the lending field and they will continue to do so.

Mr. McCleave: A supplementary question, Mr. Speaker; I think we are heading for a ten o'clock date. Would the minister also recognize that the suggestion would lead to less legal expenses in many cases, and this is supposed to be the age of restraint?

Mr. Danson: Mr. Speaker, I would be delighted to look into the hon. member's representation.

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CANADIAN PACIFIC RAILWAY

REQUEST FOR RESTORATION OF SERVICE TO GLENWOOD AND HILLSPRING—GOVERNMENT ACTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I should like to direct my question to the Minister of Transport. In light of the fact that at a meeting held in Magrath, Alberta in November of 1972 the ex-minister of agriculture, Mr. Olson, informed the meeting that "if any producer suffered any loss due to inability to deliver grain as a result of plugged elevators, CP rail would be responsible", would the minister inform the House whether or not he has instructed the CPR to restore service to Glenwood and Hillspring?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I rather think that the former minister of agriculture's words have been taken out of some kind of context. The question of restoration of service is one, as I have said before, that depends on certain action on the part of the CTC.

Mr. Hurlburt: A short supplementary question, Mr. Speaker. In view of the fact that the Minister of Transport has informed me that he has to get ahold of the CTC, that the CTC has told me they have to get ahold of CPR, and that the CPR has told me that they have to get ahold of the Minister of Transport, would the minister please inform the House how I go about restoring service to Glennwood and Hillspring?

Mr. Lang: Mr. Speaker, as I told the hon. member earlier, we are all trying to get ahold of each other.

* * *

NORTHERN AFFAIRS

DATE OF PUBLICATION OF REGULATIONS COVERING EXPLORATION FOR OIL AND GAS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the recent report of the National Energy Board regarding shortages of oil and gas in Canada, and in view of the fact that there has been a severe cutback in oil exploration work in the north due mostly to the failure of the government to bring forward oil and gas regulations, can the minister advise when these new regulations will be brought down in order that the oil companies know what the ground rules are so far as exploration is concerned?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not accept completely the purview that that is the major cause of the diminution of exploration activity in the north. As I have indicated before, I think the final date for the fall is December 21, so I hope it will be prior to that time.

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PENITENTIARIES

REQUEST FOR INVESTIGATION OF SYSTEM—REPORT OF PARLIAMENTARY COMMITTEE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Solicitor General. In view of the problems at Millhaven, problems with temporary absence leaves and possible cover-ups in the Farris inquiry, does not the Solicitor General now feel it is time we had a public inquiry into the whole penitentiaries system?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. As a matter of fact, the hon. member has made three or four allegations. There has been no cover-up in the Farris inquiry; this report will be made public as soon as the trial of the three individuals involved is over. We cannot make it public at the present time. I should point out to the hon. member that during the last parliament he and his colleagues asked for a parliamentary inquiry which was started, but it was never carried through by opposition members.

● (1200)

Some hon. Members: Shame.

Mr. Reynolds: Mr. Speaker, is the minister willing to fully report to this House on the reports of members who were on that inquiry? This member has received copies of every report of every member of that inquiry and I think the minister is not telling the whole story in this House of Commons.

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, it is true that some of the members of the inquiry—

Mr. Reynolds: All of the members.

Mr. Allmand: —wanted to make a report and were willing to complete their work, but there were several others who were not, and in fact the parliamentary committee made no official report to me.

[*Translation*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Eighth report of Standing Committee on Finance, Trade and Economic Affairs, in both official languages—Mr. Comtois.

REGIONAL DEVELOPMENT

Fourth report of Standing Committee on Regional Development, in both official languages—Mr. Lumley.

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

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HEALTH

TABLING OF REPORT OF ADVISORY COMMITTEE ON FOOD SAFETY ASSESSMENT

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to table the report of the Advisory Committee on Food Safety Assessment.

* * *

[*English*]

BILINGUALISM

TABLING OF REPORT OF SECOND BILINGUAL DISTRICTS ADVISORY BOARD—STATEMENT BY MINISTER

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I should like to table copies in English and in French of the report of the Second Bilingual Districts Advisory Board.

Hon. C. M. Drury (Acting President of Treasury Board): Mr. Speaker, I rise for the purpose of making a statement in relation to the report of the Second Bilingual Districts Advisory Board tabled today by the Acting Prime Minister (Mr. Sharp). The report in question is the result of a difficult and painstaking study. Under the chairmanship of Professor Fox, the board conducted its assigned task with unquestionable seriousness and competence, for which the government wishes to express its gratitude.

The findings, conclusions and recommendations contained in the report are those of the board and not of the government. It is now the government's duty to examine the report and to determine what will be done with each recommendation. This process has already been initiated and will be carried out with the utmost diligence. However, the government has adopted a clear position concerning the report. It is this position that I wish to discuss at this juncture, Mr. Speaker.

In line with the observations made by the Commissioner of Official Languages to parliament in his second annual report, the advisory board examined the concept of and the reason for the establishment of bilingual districts. It concluded that the concept should be retained. The government supports this conclusion and will proceed with the proclamation of bilingual districts.

Bilingual Districts

The advisory board proposed that 30 bilingual districts be delineated in accordance with section 13 of the Official Languages Act, in a total of nine provinces, to be distributed as follows: Newfoundland, two districts; Prince Edward Island, one district; Nova Scotia, two districts; New Brunswick, one district—the entire province; Quebec, five districts; Ontario, five districts; Manitoba, six districts; Saskatchewan, six districts; Alberta, two districts.

In each of the districts proposed, at least 10 per cent of all inhabitants speak the minority official language as their mother tongue. As this proportion corresponds to the provisions of the Official Languages Act, these 30 districts appear acceptable in our view. The government will examine the geographic areas delineated by the board; in particular, special attention will be given to the recommendation that the entire province of New Brunswick be made into a federal bilingual district, in terms of the real needs of the various regions of that province.

[*Translation*]

In the province of Quebec, the advisory board chose to recommend bilingual districts in the five areas only where, in their view, the English-speaking minority might require support and special protection. They therefore left aside certain areas where the official language minority accounts for 10 per cent or more of the population, including the Montreal area, for the reasons that the federal government already provides services there in both official languages, that it will probably never cease to do so and that the proclamation of bilingual districts would be unnecessary. The government does not accept the bases for that reasoning. The principles of the recommendation are not acceptable to us, and the government rejects the board's reasoning and conclusions to reduce in the province of Quebec the number of bilingual districts below the level authorized by the act. The government will therefore review all Quebec areas, including Montreal and Sherbrooke, and certain other areas as Rouyn-Noranda and Schefferville, using the same approach and principles that will apply to the final establishment of boundaries of bilingual districts in other parts of the country. So, Mr. Speaker, there will be one or more bilingual districts in the Montreal area, and there will be others across Quebec, according to the guidelines we intend to follow in other provinces.

[*English*]

The advisory board deemed it advisable, for which we are grateful, to formulate additional recommendations, the two most important of which relate to the provision of services in both official languages in a number of areas located outside the proposed bilingual districts. Instead of being concerned with the proclamation of bilingual districts, these two recommendations are designed, rather, to give meaning to sections 9(2) and 10 of the Official Languages Act which stipulate that in locations outside federal bilingual districts, government services be made available in both official languages where there is a "significant" demand.

The board therefore proposed that a "significant" demand for services in both official languages be explicitly acknowledged to exist in all the provincial capitals by reason of the fact that many federal offices located in these cities serve the entire province and that visitors are drawn

to them from all over the country. In this respect, they have a major role to play in a bilingual country. The board recommended that regardless of the proportion of their population whose mother tongue or language of use is that of the minority, federal services to the public in these cities be made available in both official languages. The government recognizes the validity of this recommendation, which it accepts, and will ensure that where this demand exists, services will be provided by the federal government in both official languages.

[*Translation*]

Moreover, the board suggested that in any other large urban centre where 5,000 or more people currently use the official language of the minority, the demand for services of this minority be considered "significant" for the purpose of the act. The board therefore recommended that in these centres, the federal offices that come in contact with the public offer their services in both official languages. The government feels that this proposal is acceptable as concerns offices where there is a demand for such services, and as concerns the application proposed by the board for Vancouver, St. Catharines-Niagara, and four other large centres which are also provincial capitals, namely Toronto, Winnipeg, Edmonton and Quebec City. However, for the previously mentioned reasons, the government rejects the idea that this provides a sufficient guarantee of bilingual services in the metropolitan areas of Montreal and Sherbrooke. With this reservation, the government intends to implement this recommendation.

● (1210)

[*English*]

The advisory board recommended that all federal offices which acquired or will be acquiring the capability to conduct transactions in both official languages ensure that the public is fully aware of the availability of such services. The government intends to implement this recommendation as well.

Finally, the board recommended the establishment of a separate, continuing body to conduct research on language problems and policy in Canada. In view of present economic conditions and the scope of projects now being carried out in this sector by various public administrations, the office of the Commissioner of Official Languages and universities and institutions throughout the country, the government considers that establishment of such a body is unwarranted.

In short, Mr. Speaker, the government gratefully accepts the report of the Bilingual Districts Advisory Board, the considerable amount of data being placed at the public's disposal and the serious observations conveyed. According to the Official Languages Act, at least 90 days must elapse from today prior to any proclamation of bilingual districts. Accordingly, the government undertakes to proceed quickly but carefully, taking into account any further evidence which may arise and ensuring that none of these commitments involves any increase in the budgetary estimates. During this period we will be seeking the comments of the provincial governments.

[Mr. Drury.]

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we have today before us a report for which we have been waiting since 1973, according to the estimates of the Commissioner of Official Languages and the wishes of the government. I must however emphasize that it concerned a very complex subject, which probably gave a lot of difficulty to the commission that had to ponder over and over again the problems and the task it had been assigned. That is certainly the cause of the delay. The whole matter of bilingual districts is very knotty, and this is revealed by the fact that four out of eight commissioners issued minority reports or statements. True, the government has accepted the principles in some of the dissident reports. You will see, as Mr. Spicer was saying in his second report, in 1972 I think, that this is a matter which will stir a lot of emotion. He was then wondering whether in fact the setting out of bilingual districts would not cause bigger problems than those the B and B Commission was trying to resolve with this initial recommendation which was in fact a principle or idea imported from Finland.

[*English*]

In his second annual report of 1972 or 1973—I forget the exact date—we saw that Mr. Spicer canvassed the many arguments pro and con on the concept of bilingual districts. I think it is fair to say that, having seen what had happened up to that time with regard to the implementation and acceptance of the Official Languages Act, Mr. Spicer came down on the side of seriously questioning the need for this concept. I should like to quote from page 31 of his report.

> Finally, and in the commissioner's view far more impressively, bilingual districts may be unnecessary because of empirical evidence that the act has protected language rights surprisingly well for 2½ years without them.

He also says that section 9(2) of the Official Languages Act is the main reason for that. We have progressed some three years beyond the date of the observations of Mr. Spicer, and I would challenge anyone to demonstrate that there has not been in that interval, or there has not been since that interval, much more evidence that the act has not only protected but has engendered a greater acceptance of the principle of the Official Languages Act in Canada, and in fact has seen a marked expansion in the learning and use of both official languages. Therefore, I think one has to re-examine and reconsider Mr. Spicer's original commentary pro and con in light of the situation today.

[*Translation*]

As the Minister of Public Works (Mr. Drury) has said, the government support the conclusion of the Fox commission recommending that the concept of bilingual districts be accepted, and they even said they were willing to initiate the proclamation of bilingual districts, while presenting at the same time the amendments they propose, in short, their decision on this question.

I have had the opportunity to read this report only this morning and it is difficult for me, as for my colleagues, to make elaborate comments on the matter because there is a trap in all this. I hope we will not fall into it. We should not be led into considering the detail of each district where the borders and limits have been indicated, and then lose sight of the whole thing.

I doubt that it will help the discussion any. Indeed, the government says it accepts, in principle, and not only in principle, but that it accepts the representations concerning the setting up of at least 30 districts as recommended by the Commission. Still, it rejects the majority recommendation of the Commission for I have noticed that at least three commissioners failed to agree with the idea that Quebec should include only six districts, and that Montreal, because it was already giving adequate services in English met the requirements of the Official Languages Act.

I therefore feel that the minority members were right, that the government also was right in accepting the recommendations of the minority members on that question, taken as a whole. As far as I am concerned, with regard to bilingual districts, I am afraid, and this is the personal opinion I expressed during consideration of the recommendations of the Dunton Commission, that we are creating some sort of linguistic reservations or ghettos. That danger is very real!

In addition, I have always felt that the Dunton Commission report, the principle of this Fox Commission, as well as the attitude of the government, rather reflect the way of thinking of central Canada.

● (1220)

[*English*]

What is good for central Canada, and particularly certain portions of central Canada, is good for all of Canada seems to be the guiding rule. No greater mistake can be made, in considering the affairs of this country, than that. Canada is a very complex country. I suppose that is the most trite sort of statement that can be made, but it is very true. These decisions which are tailor-made, shall we say, for a 200 or 300 mile radius of Ottawa, but apply to Edmonton, Calgary, Regina or Vancouver, do not necessarily conform with the spirit, aspirations, characteristics and rights of the rest of the people of Canada.

While my party and I accept fully the principles of the Official Languages Act, I would say that we must proceed with a great deal of caution. I would have thought that the government, having seen the reaction to the original proposition and the views of Mr. Spicer—whom, after all, they have appointed to monitor the progress of the Official Languages Act—must realize that in many parts of Canada the creation of bilingual districts may create more problems than tend to solve them. It will certainly set a lot of people on their ears.

Then, going beyond the recommendations of the commission that bilingual services will be provided in capital cities to serve the whole of the province, the government has said that there will be some sort of subcategory of bilingual districts in major urban centres where at least 5,000 people normally use the minority language as their language of communication. I invite the hon. gentleman to try that in a city such as Edmonton. We are not going after precise figures on ethnic origin as appeared in the census, but, as I say, this is going to create more problems.

The last comment I would like to make is this, because I see, Mr. Speaker, that you are nodding. Let me point out that we have a report of this large size that has been considered *in extenso* for some considerable time on this important question, and surely a matter of seven or eight minutes, or even ten minutes, to use in making comments on it is well within the acceptable limit. However—

Mr. Speaker: Order, please. The hon. member raises a very important point. I do not want to unduly restrict members in making their comments, but I would like to point out that the minister spoke for ten minutes. The hon. member for Edmonton West (Mr. Lambert) has now been speaking for 12 minutes. Since there are two other hon. members to follow, who will probably take close to that time, it does not leave much time for questions before the lunch adjournment. However, there will be time after two o'clock to continue with questions, if necessary.

Mr. Lambert (Edmonton West): I did not want to abuse the time of the House, Mr. Speaker. I am fully aware of the time limitation and was coming to my last point.

Some hon. Members: Good.

[*Translation*]

An hon. Member: Oh, oh!

Mr. Lambert (Edmonton West): We are not discussing Quebec here, but Canada.

[*English*]

The question that comes to my mind is that in the furnishing of bilingual services in the capital cities, according to the concept of the late Mr. Pearson that government services should be bilingually functional, there might be a tendency to move, as there has been within Ottawa, to minimum requirements in making positions bilingual. If there has been some difficulty in Ottawa with regard to that matter, I can assure the House that in Vancouver, Edmonton and other areas there will be a great deal more fuss about it, and I issue a word of caution. It is not a case of "full steam ahead, and damn the torpedoes." I think the end result and the objective of what parliament set out to do under the Official Languages Act is worth a great deal more than some of the impatience of those people who would say, "Let them have it with both barrels".

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the hon. member for Edmonton West (Mr. Lambert) has pointed out, we were presented this morning with a report of some 272 pages. Actually, the volume is larger than that because of the numerous maps and other pages in the book which are not numbered. I have not had time to count the total number of pages.

Mr. Drury: You can go by its weight.

Mr. Knowles (Winnipeg North Centre): The minister suggests we might go by the weight of it. I suggest that our rule about statements from ministers and the opportunities for reply and for asking questions is a good one and it is working very well. But I think that in a case like this, when we are given such a weighty document—weighty in more ways than one—it might have been more courteous on the part of the government to table the document one day and make the statement and have the comments on the

next day. Like my friend, the hon. member for Edmonton West, I have had only a short while since I first saw the document, and I have been trying to peruse it while other things have been going on because it is, indeed, a very important matter.

It deals, of course, with an issue concerning which there is a good deal of emotion in this country. Almost anything that one says results in those who disagree with him wanting to put him in a certain category. My party, along with the other parties in the House, supported the Official Languages Act. We take the view that there are two official languages in this country, and there is no backing away from that fact. I do not want any word of caution that I say or that my friend, the hon. member for Edmonton West, has said to suggest in any way that we withdraw at all from the recognition of the two languages in this country. That is a fact, and we recognize it.

I believe the hon. member for Edmonton West has raised points that should be considered, and I hope that in the 90-day period which must elapse before the government issues any proclamations, further study will be given. I point out, as did my hon. friend who preceded me, that there were ten members on the commission. Only eight of them signed the report, and even two of those eight issued minority statements. The other two issued minority reports. Even on the votes on the various issues which were resolved there was considerable variation, so that all told it was not only a difficult assignment given to the board but the board had great difficulty in reaching its conclusions.

● (1230)

I think the board has done a particularly worth-while service by putting in at the very beginning of its report, on pages 3 and 4, a few sentences which seek to make it clear what bilingual districts are all about. On page 3, paragraph 3, I read as follows:

> Section 2 of the act declares that "The English and French languages are the official languages of Canada for all purposes of the Parliament and Government of Canada, and possess and enjoy equality of status and equal rights and privileges as to their use in all the institutions of the Parliament and Government of Canada."

Also on page 3, paragraph 6, I read the following:

> When a bilingual district is proclaimed, the federal government is required to communicate with the public and to provide its services in both official languages at each of its principal offices in every department, agency, and judicial, quasi-judicial or administrative body or Crown corporation in that bilingual district.

Now I draw special attention to paragraphs 7 and 8, which read as follows:

> 7. Although the purpose of bilingual districts thus appears to be simple and clear, we have encountered so much confusion in the public's mind on this point that we would like to emphasize the basic intention by reiterating it. The objective of creating a bilingual district is to require the federal government to provide its services in both languages.
>
> 8. However, it should be clearly understood that the existence of a bilingual district will not oblige the public to become bilingual. Far from it. In fact, just the opposite is true. A bilingual district can protect unilingualism by ensuring that an individual who speaks only English or only French can communicate with the federal government in his or her own language. The bilingual requirement that is imposed by a district does not fall upon the public but upon the government.

I should like to emphasize where the responsibility lies, on the government, not on the public. I should also like to emphasize that every effort should be made to clear up the confusion which surrounds this matter.

[Mr. Knowles (Winnipeg North Centre).]

Paragraphs 9 and 10, on page 4, are also very important and read as follows:

> 9. It should be added that the obligation incurred by the federal government does not mean that all of its civil servants must be, or must become, bilingual. Only those employees dealing with the public under the circumstances described above would be expected to be bilingual.

Paragraph 10 means something to us in western Canada. It reads as follows:

> 10. It is also worth observing that nothing in the Official Languages Act, whether it be the clauses in the statute establishing English and French as the official languages of Canada or any other section providing for the implementation of this declaration, derogates in any way from the privileges enjoyed by any official language. Section 38 of the act expressly forbids the diminution of any legal or customary rights or privileges possessed or acquired by any additional language before or after the act came into force.

I believe it is because of misunderstanding around the principles of bilingual districts that much of the opposition has arisen, and I contend that in the 90-day period it now has, the government should think seriously about the whole matter and should note the very effective criticisms, so far as I could judge from a quick reading of them, made by Mrs. Duckworth in her minority report and also by Mr. Justice Monnin in his minority report. There is one point in Mr. Justice Monnin's report concerning Montreal, which the government has accepted, but I suggest that the whole subject is such a complicated and complex one that further thought should be given to it.

Speaking for myself and speaking officially for my party, I wish to say that this is not said on the part of persons who want to downgrade bilingualism or to get away from the facts of life in Canada. We say that because we have a country in which we must recognize two official languages, we must make all aspects of bilingualism work, and it will work better if a great deal of thought is given to all these matters. I hope there will be more thought and, indeed, thought in light of the public discussion which will take place in the 90-day cooling off period, shall I call it, which is required under the act.

I said that I noted Mr. Justice Monnin's comment, or one of his comments, in his minority report having to do with Montreal, and I am glad the government seems to have accepted his recommendation rather than the recommendation of the majority of the board. The recommendation of the majority was that no bilingual district was necessary in Montreal; that the English-speaking minority was protected by tradition, and so on. Mr. Justice Monnin did not agree. I gather the government has not agreed either, but has concluded that just as French-speaking persons in Gravelbourg, Saskatchewan, should be able to deal with government offices there in French and have that right protected by law, then so should English-speaking persons in Montreal have that right in their city.

I notice, also, a recommendation which the government has rejected—this is in the majority report—which calls for a new body to study the whole language situation in Canada. If I understand that correctly, it seems to go beyond the two languages. It seems to include the reference I made a moment ago, and I believe the government has made too quick a rejection of that proposal, saying that

it is doing so because of the restraint program which is on at the present time.

So, generally speaking we give our support to the idea of making two languages work in this country, but just as we do not think English should be imposed upon people in areas which are predominantly French, we think the opposite should not happen either, and that very careful consideration should be given to the way in which bilingual districts are established. However, in the main, the points I read out from this report in paragraphs 7, 8 and 9 applying to the public generally and to civil servants, and in paragraph 10 applying to other languages, should be respected not only in spirit but to the letter.

I have just a couple of other comments to make. Let me put it this way: I think it is a good idea that a French-speaking person in Gravelbourg should have the right to get service from the Canada Manpower centre in the language he speaks. Perhaps it is more important that he should get service. The other comment I should like to make is that having been given in advance a copy of the statement the Acting President of the Treasury Board (Mr. Drury) was going to make, I had my eye glued on him as he got to the last sentence to see whether he could say it without smiling. Mind you, he added a sentence which was not in his text, but for a minister of the Crown to stand up and try to say to us today that these things will be undertaken, but that none of these commitments will involve any increase in the budgetary estimates, is just trying to kid us. Let us not try to kid anyone by saying that bilingualism does not cost money and that bilingual districts will not cost money. That just does not go down.

I confess that these comments are necessarily general. But they are a deliberate attempt to stay away from any bigoted approach to this issue. They are an attempt to support the idea that we have to make bilingualism work in this country, but to press the point that the considerations in the minority statements and in the minority reports, and the considerations advanced today by the hon. member for Edmonton West, should be considered. In fact, there should be further study of the whole matter by the government, with the aim of making whatever is done really work. It must not have the opposite effect.

Some hon. Members: Hear, hear!

● (1240)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the least we can do at first glance is to rejoice at the good will of the government which would like to implement the recommendations of the Bilingual Districts Advisory Board. What surprised me, however, was to hear the remarks of members representing the Conservative and the New Democratic parties. I realize, Mr. Speaker, that once again comments were expressed which bring me to think that there is a willingness, either in the official opposition or the New Democratic Party, there is readiness to accept the principles theoretically, but when it comes down to practice, they have all sorts of hesitations, all sorts of tergiversations. I find unfortunate the attitude just expressed by the two members who spoke before me since the only point they welcome is where the government says:

The government does not admit here the basis of the argumentation of the board. The principles underlying that recommendation are not acceptable to us and the government does not share the argumentation and the conclusions of the board to reduce in Quebec the number of bilingual districts below what could be allowed under the law.

And that is precisely the only point, Mr. Speaker, that will stir up diametrically opposed comments in Quebec, and that is what I wanted to point out immediately before the government gets involved once again in a dispute that could prove disastrous. I wonder why the government does not endorse that part of the report of the advisory board. It should indeed.

I am all the more surprised that although I have had the report before me for only a few minutes, I still had time to see that when the commissioners sat in Montreal eight Liberal members appeared and out of the eight, seven said they were opposed to bilingual districts in the metropolitan area of Montreal.

The government of Quebec also appeared and it said it was against it as well. So the government knows in advance that the province of Quebec is against the creation of bilingual districts on its territory.

Now, it necessarily follows that if the government does not approve the wishes which have been clearly expressed by hon. members from the island of Montreal, who are sitting opposite, we shall have to face huge problems once again. I also would like to remind our Progressive Conservative and NDP colleagues that they seem to forget the main reasons which prompted the government to deal with the matter of bilingualism across the country. Those reasons were not that English-speaking minorities were losing ground in Canada. You have to be realists. The sole reason for that concern today is that Canada as a whole, including the province of Quebec, was becoming increasingly anglicized, since, as the report says, French-speaking people can sometimes hardly order in French in the Montreal area. That is a fact. English-speaking minorities in Canada have no problems, and you know that. Let us stop dreaming and fearing, they have no problem. The only problems are for the six million French-speaking Canadians who are literally lost in a crowd of 250 million English-speaking people in North America. There is the problem! I would even say the government are taking moderate steps in setting up 25 bilingual districts outside Quebec. So, when the hon. member for Edmonton West (Mr. Lambert) or the hon. member for Winnipeg North Centre (Mr. Knowles) come and tell us: Watch it, a great deal of caution will have to be exercised, I find it appalling that in 1975 my friends have not yet understood that there was only one problem in Canada, and that this problem was to protect the French reality throughout Canada. It is a very well known fact, and it could not be more obvious, that there are people in the province of Quebec who no longer have any hope in that possibility, to the point that they want a unilingual, French speaking, independent province of Quebec. That is a well known fact! Let us wake up, it is no longer time to waver to say if a formula which might preserve the French language should be accepted or not.

Only last week we could once again read in the Ottawa paper *Le Droit* that French speaking-minorities in Ontario were becoming anglicized at an even faster rate. There is the danger. There is no problem for English-speaking

minorities in Quebec. There is none at all. The problem lies exclusively on the French-speaking side.

I think the attitude of my hon. friends from the Progressive Conservative and New Democratic parties is an indication of more huge difficulties in accepting a modest attempt at solving a national problem in Canada.

As for the government, I blame it because it deliberately tries to promote disorder in Quebec, by planning the establishment of bilingual districts in metropolitan Montreal as well as in other areas of the province. This is stupid, at a moment when we are fighting tooth and nail to save the French language and to get a true French-speaking management in Quebec. Mr. Speaker, there is no need to be so ridiculous and establish bilingual districts where they are absolutely not required.

I think I had to clarify this point. Mr. Speaker, we have indicated many times what we want. French Canadians do not want to get minor improvements here and there, what they want is a complete equality. Wherever you are in the country, it is not wrong to speak French and the federal government should provide its services in French anywhere. This is our minimum requirement and it must be met if we are to maintain Canada as it is.

[*English*]

Mr. Speaker: Order, please. I am sure a number of members are anxious to pose questions. It is now ten minutes before one o'clock. In order to get things in some sort of order, I wonder if we could first clear up the rest of routine proceedings before we begin with questions; then we could take questions until one o'clock.

Some hon. Members: Agreed.

* * *

ADMINISTRATION OF JUSTICE

PETITION RESPECTING GUN CONTROL

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the twentieth report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Vancouver South (Mr. Fraser) and finds that it meets the requirements of the Standing Orders as to form.

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,100, 3,109, 3,113, 3,169, 3,172, 3,174, 3,252, 3,274, 3,294, 3,314, 3,316, 3,353 and 3,354.

[Mr. Matte.]

[*Text*]

DEPARTMENT OF PUBLIC WORKS—CONTRACTS FOR LABORATORY FURNITURE AND EQUIPMENT

Question No. 3,100—**Mr. Fleming:**

1. Have any government contracts been awarded by the Department of Public Works for laboratory furniture and equipment since the beginning of 1972 and, if so, how many?

2. How many called for the installation of equipment and furniture?

3. What were the names of the successful companies?

4. How many contracts was each successful in winning?

5. What was the total amount of money paid to each?

Hon. C. M. Drury (Minister of Public Works): In so far as the Department of Public Works is concerned: nil.

DISASTER ASSISTANCE—LAVAL, QUEBEC

Question No. 3,109—**Mr. Roy (Laval):**

1. During the fiscal year 1974-75, what was the total amount claimed in repayment for damages caused by flooding in the (a) Province of Quebec (b) Constituency of Laval (c) City of Laval?

2. Of the total amount claimed in the Constituency of Laval and the City of Laval, what was the amount of money and the number of claims accepted for reimbursement under the federal-provincial agreement for (a) individuals (b) the provincial government (c) municipal governments (d) school boards (e) businesses or industries (f) others?

3. Of the total amount accepted for payment in the Province of Quebec, what amount will be provided by (a) government (b) provincial government?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): 1. The province of Quebec has not yet submitted a claim for payment in respect of the 1974 flood damage compensation and rehabilitation program. Accordingly, the amount of federal financial assistance to which the province will be entitled under the terms of the established federal peacetime disaster assistance program is not yet known. It is expected that the province will be submitting a claim for payment in the very near future.

2. See above.

3. See above.

VANCOUVER—SECURITY CLEARANCE OF UNIFORMED OFFICERS

Question No. 3,113—**Mr. Reynolds:**

1. Was secret level security clearance authorized for the uniformed officers of the Department of National Revenue Customs and Excise at the Vancouver International Airport and, if so, by whom?

2. Are uniformed Customs officers required to complete new personal history forms and, if so, for what reason?

3. Did the government take fingerprints of uniformed Customs officers after they had previously been fingerprinted and, if so, for what reason?

4. Which departments have access to or the responsibility for the records mentioned in Parts 2 and 3?

5. What is the estimated cost of this operation?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Revenue and the Solicitor General as follows: 1. Yes, by the Deputy Minister, National Revenue, Customs and Excise.

2. Personal History Forms are required for the initial clearance. They expire at the end of 5 years at which time employees are required to complete new ones.

3. Fingerprinting is a mandatory requirement of the security clearance process. Employees are normally fingerprinted on entry into Government Service, however, they may be required to be fingerprinted a second time in instances when records have been misplaced.

4. The R.C.M.P. Branch of the Solicitor General's Department has access to security documents. In this Department, access is restricted to the Chief of Security Services.

5. The estimated cost to the Royal Canadian Mounted Police is $15.96 for each security clearance. As we do not have the number of security clearances requested by the Department of National Revenue, we are unable to provide the total cost.

VANCOUVER INTERNATIONAL AIRPORT—BAGGAGE SECURITY

Question No. 3,169—**Mr. Reynolds:**

1. For what reason was a security system set up at the baggage counters for incoming passengers at Vancouver International Airport?

2. (a) Did the system cost in excess of $75,000 and, if not, what was the cost (b) is Air Canada's share 50 per cent?

3. For what reason was this system installed when in the year 1974 there were only twenty-six incidents of loss and theft reported at the Airport, which under the present regulations would only cost the airlines $5,200?

Hon. Otto E. Lang (Minister of Transport): 1. At request of airlines to prevent theft and the possibility of unintentional passenger error in claiming baggage.

2. (a) No. The cost was $30,360. (b) No. The installation was funded by Transport Canada. The Airlines pay for security personnel on the basis of numbers of arriving passengers.

3. Airline experience has been that losses have been greatly reduced since implementation of the system in 1974. Present regulations limit airline liability to $500 for any one piece of lost baggage.

NEWFOUNDLAND—FISH PROCESSING PLANTS APPLICATIONS

Question No. 3,172—**Mr. Marshall:**

Have any applications been received from fish processing plants in the Province of Newfoundland under the Accelerated Capital Cost Allowance Programme to take advantage of the two year write-off programme and, if so, what are the names of the plants who have applied since the inception of the programme?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): No such applications have been received from fish processing plants in the Province of Newfoundland.

NEWFOUNDLAND—APPLICATIONS CAPITAL CASH ALLOWANCE, NEWFOUNDLAND

Question No. 3,174—**Mr. Marshall:**

1. Have any applications been received from the Province of Newfoundland under the accelerated capital cost allowance programme by the Environmental Protection Service of the Department of the Environment?

2. What efforts have been made to advise all farmers in Canada of the availability of the ACCA Programme?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): 1. Yes. Eleven such applications have been received from Newfoundland.

2. Publicity for this program has not been directed towards any particular sector of the economy. All polluters and/or potential polluters are included and considered for eligibility under the regulations.

SENIOR CITIZENS' HOUSING—LAC-ETCHEMIN, QUEBEC

Question No. 3,252—**Mr. Lambert (Bellechasse):**

Has Central Mortgage and Housing Corporation granted a loan to the Quebec Housing Corporation for the Municipality of Lac-Etchemin or its Housing Corporation and, if so (a) what was the amount involved (b) at what rate of interest (c) for how long (d) under what terms of reimbursement?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that the answer to this question may be found in the answers to Question Number 322 and Question Number 676, of the 29th Parliament, Second Session. (*Hansard* March 13, 1974 Page 467, and May 6, 1974, Page 2047, respectively.)

FUNDING TO VILLENEUVE CONSTITUENCY UNDER OPPORTUNITIES FOR YOUTH PROGRAM

Question No. 3,274—**Mr. Caouette (Villeneuve):**

1. Since the inception of the Opportunities for Youth Programme, has money been allocated to the Constituency of Villeneuve and, if so, in what amount?

2. For each approved project in the Constituency what (a) is the title (b) is the allocated sum (c) is the year of acceptance (d) is the name of the municipality concerned (e) are the number of jobs which have been created?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Statistics for the Opportunities for Youth Program prior to 1975 were not maintained on a constituency basis, and thus the total amount of funding to the constituency since the inception of the Program cannot be determined. Under the 1975 Program, however, a total of $83,790 was contracted to projects in Villeneuve.

2. (a), (b), (c), (d) and (e): See Statement following: (This information is available for the 1975 O.F.Y. Program only).

1975

Project title	Amount of funding	Location	Number of Jobs Created
Carrefour des jeunes	$7,592	Chibougamau	7
Tiens-toi occupé	6,963	Chapais	7
Animation	4,345	Val d'Or	5
Opération Sondage	5,230	Barraute	4
Optimiste	6,695	Landrienne	6
Développement socio-culturel de Dubuisson	9,208	Dubuisson	6
Activités culturelles et touristiques	9,220	Cadillac	10
Organisation de nouveaux endroits récréatifs	5,482	Obedjiwan	8

Project title	Amount of funding	Location	Number of Jobs Created
Atelier d'expression dramatique	9,640	Malartic	6
Centre d'animation	4,740	Val d'Or	4
Vive l'été	8,340	Senneterre	9
Occupation Jeunesse	6,335	Barraute	6

SAINT JOHN AIRPORT, N.B.

Question No. 3,294—**Mr. Landers:**

1. What is the proposed (a) starting (b) completion date of the expansion and improvement of the Saint John Airport, New Brunswick?

2. What is the (a) anticipated cost (b) nature of the navigational improvements (c) nature of other improvements?

Hon. Otto E. Lang (Minister of Transport): Subject to the completion of a master plan study and the availability of funds: 1. (a) Work on a three-phase programme is planned for commencement in FY 1976-77. (b) The three-phase programme will extend to FY 1983-84.

2. (a) Overall costs have not yet been estimated and cannot be verified until the Master Plan is completed. (b) and (c) The first phase involves a Maintenance Garage, Firehall, Field Electrical Centre and the provision of essential services to prepare for phases two and three. The second phase consists of navigational improvements including a second instrument landing system and extensive improvements to visual aids and runway lights. The final phase involves access roads, car park, new passenger terminal and control tower, new taxiways and resurfacing of both runways.

GRANT TO MAYNARD AMBROSE PAUL AND/OR LUCY AGNES PAUL, CASTLEGAR, B.C.

Question No. 3,314—**Mr. Brisco:**

1. What was the total amount of money advanced to Maynard Ambrose Paul and/or Lucy Agnes Paul of Castlegar, British Columbia, either in the form of a loan or grant for the purchase of equipment to operate an entertainment centre?

2. On what date was this money advanced?

3. What portion, if any, of money advanced by the Department of Indian Affairs and Northern Development to either Maynard or Lucy Paul has been returned to the Department?

4. Was the equipment seized by bailiffs and, if so, has it been sold and, if not, for what reason?

5. If the equipment was sold, what sum has been realized and what portion of the original loan or grant has been recovered?

6. At what date were funds advanced to Mr. and Mrs. Paul to establish the entertainment centre and what controls or constraints were placed upon them in order to monitor the success of their business venture?

7. How often was this business venture monitored by the Department?

8. Have criminal charges ever been laid against Mr. Paul since he established the business and, if so, what type of charges were they?

9. Were criminal charges ever laid on the premises of the business of Mr. Paul either against him, Mrs. Paul or some other person on the premises at the time and, if so, what was the nature of the charges?

10. What has been the total cost to the Department or to the Crown, in recovering the goods and merchandise seized by the bailiffs?

[Mr. Andras.]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Loan $45,000; Contribution $4,500.

2. Contribution, September 18, 1974; Loan, November 21, 1974.

3. $41.50 applied to interest was received. No other principal or interest payments were received.

4. Equipment has been seized by the Bailiffs and is in the process of being sold. Written Offers were accepted until Friday, October 31, 1975.

5. The equipment has not yet been sold. We estimate $4,000 will be received from the sale. Property is in the hands of Justice and will take approximately eight months to sell with possible recovery in the neighborhood of $20,000.

6. The contribution cheque of $4,500 was received by Mr. and Mrs. Paul on or about September 18, 1974. The cheque was to be deposited to a control account with the co-signature of a Department official required for release. The loan cheque of $45,000 was received by Mr. and Mrs. Paul on or about November 21, 1974. The cheque was deposited to a control account with the co-signature of a Department official required for release. Further conditions were: to maintain books and accounting records and to allow examination of these records; provide invoices, receipts, cancelled cheques as evidence proceeds of the loans were used for the purposes intended; not to encumber security, incur capital expenditures in excess of $1,000 per year, or make loans, investments or assume liabilities on behalf of others; agree to accept and act upon advice and direction of the Minister; engage independent legal counsel, accountants or other advisors as the Minister considers necessary; provide unaudited quarterly financial statements prepared by a professional accountant; maintain a general bank account to deposit all receipts and to make disbursements; renovations to building will not exceed $3,000 without prior permission from the Minister. The amount to be established by firm contract or prices.

7. The venture was monitored three times during 1974 and three times in 1975 (to June 19, 1975) by Department officials. The business was abandoned July 1, 1975.

8. A criminal charge was laid and subsequently dismissed. The charge was related to the possession of marijuana.

9. To our knowledge the afore-mentioned charge was the only charge laid on the premises of Mr. Paul.

10. The cost to date of recovering the goods seized by the Bailiff is $1,357.

UIC—CLAIMANTS RECEIVING BENEFITS IN KAPUSKASING, HEARST AND SMOOTH ROCK FALLS

Question No. 3,316—**Mr. Stewart (Cochrane):**

1. How many persons were receiving unemployment insurance benefits in (a) Kapuskasing, Ontario (b) Hearst, Ontario during (i) August (ii) September (iii) October 1975?

2. How many persons were receiving unemployment insurance benefits in Smooth Rock Falls, Ontario during (a) June (b) July (c) August (d) September (e) October 1975?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The Unemployment Insurance Commission does not maintain individual statistics for (a) Kapuskasing (b) Hearst (c) Smooth Rock Falls. Geographically they are included in the Timmins District Office Statistics.

UIC—CONTRIBUTIONS

Question No. 3,353—**Mr. Coates:**

1. What is the estimated shortfall between contributions to the UIC fund and the pay-out of benefits that will occur by the end of the present fiscal year based on present projections?

2. What are the projections for the period October 31, 1975 to March 31, 1976?

3. What was the loss to the fund for the fiscal year 1974-75?

4. (a) What was the position of the fund for the years (i) 1960 (ii) 1965 (iii) 1970 (b) was there a shortfall between funds available and benefits paid in any of the years and, if so, what was the amount?

5. Was there a surplus in the fund in (a) 1960 (b) 1965 (c) 1970 and, if so, what was the amount?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. It is forecast that at the end of this year, there will be a current year surplus of $295 million which would have the effect of reducing the cumulative deficit to $123 million.

2. Bill C-69, Amendments to the Unemployment Insurance Act, 1975, is currently before Parliament, and costs for the period October 31, 1975 to March 31, 1976 will be affected by the outcome of that Bill.

3. Nil. There was a surplus of $85 million in 1974.

4 and 5. The operations for 1960, 1965, and 1970 were as follows:

	Balance in Account Surplus/(Deficit) ($ Million)	
	Current Year	Cumulative
1960	(150)	321
1965	81	162
1970	(73)	473

NOTE: Under the present Act, the UIC Financial year corresponds to the calendar year.

LIP PROJECT BB 1200-9

Question No. 3,354—**Mr. Coates:**

1. What was the decision of LIP application BB 1200-9 for the Constituency of Cumberland-Colchester North, submitted by the Commerical Association of Downtown Amherst, that had as an objective a traffic and parking survey of the Town of Amherst?

2. At what level of consideration did the rejection of the application take place and for what reason?

3. Were any objections to the application directed to anyone associated with the consideration of LIP applications and, if so (a) to whom (b) by whom (c) were such objections oral or written?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The application was not approved.

Bilingual Districts

2. In the absence of a Constituency Advisory Group, Departmental officials of the Job Creation Branch regional office in Halifax consulted with local representatives from Information Canada, the Department of Recreation, the Municipal Council, the Social Services Department and the Canada Manpower Centre in the consideration of 85 applications submitted from the constituency of Cumberland-Colchester North. Although the application met the basic Program criteria, other applications in the Amherst area were assessed to be of higher priority in that they more closely met the needs of the community. Consequently, due to lack of funds, the project was not recommended for funding. The final decision, however, rested with the Minister of Manpower and Immigration, who subsequently concurred with the recommendation not to fund the project.

3. No.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,124 could be made an order for return, this return would be tabled immediately. I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

SUPPLY AND SERVICES—PERSONNEL AND SALARIES

Question No. 3,124—**Mr. Cossitt:**

1. As of January 1, 1974, how many persons employed by the Department of Supply and Services were in positions earning (a) $30,000 or more (b) $20,000 to $30,000 and, in each case, what were their names and job designations?

2. For the same period, how many additional persons in the Department are earning (a) $30,000 or more (b) $20,000 to $30,000 and, in each case, what are their names and job designations?

Return tabled.

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BILINGUALISM

REPORT OF SECOND BILINGUAL DISTRICTS ADVISORY BOARD—QUESTIONS ON MINISTER'S STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the hon. gentleman to deal with the matter in terms of the review, having regard to the public servants who would be providing services in these areas. In view of the obvious principle that it involves in the provision of services in both languages by the federal government in these districts, has the government come to any conclusion as to what level of capability would be required in that area, or how the process of designation would be operated? Would there be any requirement for units working in French in those areas that would be bilingual districts? That is my first question.

● (1250)

Mr. Drury: Mr. Speaker, the system of designation will not, as a consequence of this report, be changed. I think the hon. member is generally familiar with the current system of designation, the criteria used and the progress being made. This will not change as a consequence of these recommendations. I would ask him to repeat the second part of his question as I cannot recollect it.

Mr. Baker (Grenville-Carleton): Mr. Speaker, my question concerned the requirements with respect to bilingual districts outside the national capital. I was thinking of units working in French.

Mr. Drury: Units working in French are a matter of internal organization of the government. This question is not related to that of bilingual districts. As has been said, bilingual districts are to be delineated and proclaimed to ensure that the public in those districts can receive services from the federal government in either one of the official languages of their choice. The requirements necessary for units of the federal government working in French may or may not be related to those of the bilingual district but should not have any effect on their proclamation.

Mr. Baker (Grenville-Carleton): Mr. Speaker, may I ask another question? I am concerned about the question of designation and the necessity for the government's proposals to go forward in terms of the application of this capability. I ask if this capability for government services in bilingual districts is to be established by way of the process of decentralization, which is the cornerstone of a policy set out in certain documents I produced on September 3, 1975. Is it to be done in that way? Is the government contemplating additional man-years of employment in order to provide for positions which may be designated in bilingual districts?

Mr. Drury: Mr. Speaker, we have formulated a plan with which, I think, the hon. gentleman is familiar, to meet the requirements of the Official Languages Act. That plan has been elaborated and budgetary provision made to fulfil it. This proposal is, in a sense, merely declaratory of that plan, instead of an alternate plan. This is what we mean when we talk about implementation of this report without additional budgetary resources.

Mr. Baker (Grenville-Carleton): Mr. Speaker, may I ask a question concerning the government's present plan? Are we now to understand that when positions in bilingual districts in Alberta or Nova Scotia are designated bilingual, that people in those positions will be sent for language training? Or, will the government utilize additional man-years of employment or implement the program through a process of decentralization by moving public servants, in order to bring about what the government intends to do by reason of its acceptance of the report just brought forward? That is the question.

Mr. Drury: Mr. Speaker, I think the hon. gentleman contemplates the achievement of a multiplicity of objectives through one plan. Unfortunately, this cannot be done. We have a plan for establishing institutional bilingualism within the public service, as required by the Official Languages Act. In addition, we have a proposal for decentralization in the interest of making the federal government more responsive to the people of Canada. These two programs are not directly related; they are separate. Attempting to achieve both objectives with one move will only lead to confusion in perception and execution.

Mr. Baker (Grenville-Carleton): I thought decentralization was related to phase two.

Mr. Peters: Mr. Speaker, at what level of employment in the bilingual districts will employees need to be bilingual? How far down in the structure, so to speak, will employees need to be bilingual? In other words, how far down will the prime consideration for employment be bilingual capacity?

Mr. Drury: Mr. Speaker, briefly, it will vary from office to office and function to function. The requirement for bilingual capacity, or for institutional bilingualism, is based on ability to communicate with the public in either official language. In some instances it will mean that the elevator operator, to the extent that he must communicate with the public, should be able to do so in both official languages. Or, the person answering the telephone should be able to do so in both languages. The point is, there should be someone around who can perform all public functions necessary in this way. It is necessary for some person to do this in both or either of our official languages. How far down or up the scale such employees will be depends on their function, office and location.

Mr. Speaker: Before recognizing the hon. member for Timiskaming (Mr. Peters) for a supplementary question, I ought to tell hon. members that the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and the hon. member for Lachine-Lakeshore (Mr. Blaker), as well as the hon. member For Winnipeg North Centre (Mr. Knowles) and the hon. member for Edmonton West (Mr. Lambert), want to ask questions. If questions are brief, I am prepared not to see the clock. But perhaps it is unrealistic to expect hon. members to limit themselves to a few minutes. I think therefore, the remaining questions should be put to the minister at two o'clock.

An hon. Member: One o'clock.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Order, please. When the House rose at one o'clock there was a question period in progress following a statement by the Minister of Public Works (Mr. Drury). Upon direction from the Speaker, I will recognize four more questioners and then we will go to government orders.

Mr. Forrestall: Mr. Speaker, my question is in two parts. It has to do with the consultative procedures envisaged

from this time on. What consultation is contemplated with the provinces with respect to the report of the advisory board? The implications in two instances are quite wide. As well, what consultation procedures are contemplated with regard to the professional associations within the public service?

Mr. Drury: Mr. Speaker, I think the hon. member will be aware that the board did have very extensive consultations, in his province of Nova Scotia, with the provincial government and with municipal authorities in some of the larger areas, as well as with local associations. We generally found ourselves in agreement with the conclusions the commissioners reached in relation to the province of Nova Scotia. I think that is clear from the statement I made this morning. However, the comments of the provincial governments on the report itself, of which they are now in possession and this will be the first time they have seen the conclusions, have been sought in a letter from the Prime Minister (Mr. Trudeau) which is already in their hands, and we have asked for a response with the utmost expediency.

Mr. Forrestall: Mr. Speaker, I appreciate the further consultative procedure. It is necessary not only with respect to Nova Scotia but all the provinces. In New Brunswick there will be a significant change from the old system. Will the professional associations of the public service, such as PIPS, the Public Service Alliance, and so on, be given an opportunity to express further views on the conclusions which I presume they, too, are now seeing for the first time?

Mr. Drury: Mr. Speaker, the hon. member is probably aware of the existence and functions of a very useful body known as the National Joint Council, wherein discussions of this kind of thing and a number of other matters are undertaken as a matter of routine, continuing procedure. It would be my expectation that Treasury Board would ensure that the comments of the National Joint Council would be obtained.

Mr. Blaker: Mr. Speaker, can the minister assist me by confirming my understanding of some details with respect to the statement which he read this morning? Is it the intention of the government literally to overrule the report of the bilingual districts board and thereby assure the Montreal island population, or perhaps the Montreal urban area population that it will be served in both official languages? The essence of my question is whether that service will be given, not only as a matter of fact but, indeed, as a matter of government regulation and/or law.

Mr. Drury: Mr. Speaker, I would like to confirm that the standards of availability of federal government services in both official languages which are applicable to the provinces of Canada other than Quebec are equally available by formal steps to the residents of the province of Quebec. The federal government services in that province will be under the same obligation as they are in any other province to deliver their services, where there is sufficient demand, in the language of the citizen's choice.

Mr. Blaker: I thank the minister. I now take the next logical step be referring to the minister's statement. I quote:

[*Translation*]

Therefore, Mr. Speaker, there will be one or more bilingual districts in Greater Montreal.

[*English*]

The question which arises immediately as a result of the concept of one or more bilingual districts within the island of Montreal or the Montreal geographical area is the problem of the mobility of the population. If, for example, the government chose to begin drawing lines on the map of Montreal, it would not take into consideration, or might not make the distinction between the characteristic of residence and the characteristic of place of work.

● (1410)

I wonder whether the minister would be so kind as to explain to the House what he means by the statement that there might be one or more bilingual districts on the island of Montreal or in the Montreal area. I suggest that the distribution of population is such that the whole area should be considered as one bilingual district.

Mr. Drury: Mr. Speaker, it is precisely because of the argument made by the hon. gentleman that perhaps it ought to be one district. This provides certain advantages, but equally it provides some disadvantages in terms of availability of services. For instance, the act requires that the principal offices of government departments or agencies in each bilingual district must have this bilingual capacity. If there is only one district, it means only one principal office. Obviously, the greater the number of districts, the greater the requirement by law for bilingual capacity. A balance has to be struck between the considerations expressed by the hon. gentleman and affording the maximum practical service to the public.

Mr. Blaker: A final supplementary question, Mr. Speaker, I appreciate the comments of the minister, but may I put the question in reverse form? Is it foreseeable that there is some geographical location on or around the island of Montreal that would not provide bilingual service to its citizens?

Mr. Drury: Mr. Speaker, the hon. gentleman is asking me to provide the answers to a study that we have said we are going to undertake immediately. If I knew all the answers, I would suggest that we did not need a study. It would be presumptuous to endeavour to anticipate the results that a serious and profound study of this question will yield.

Mr. Lambert (Edmonton West): Mr. Speaker, may I refer the minister to paragraph 10 of the report as it appears on page 4. I will read it for purposes of clarification:

It is also worth observing that nothing in the Official Languages Act, whether it be the clauses in the statute establishing English and French as the official languages of Canada or any other section providing for the implementation of this declaration, derogates in any way from the privileges enjoyed by any additional language. Section 38 of the act expressly forbids the dimunition of any legal or customary rights or privileges possessed or acquired by any additional language before or after the act came into force.

My question is this: In those areas of Canada where additional languages have, by the evolution of time, acquired rights and uses in the public service in the dealing of people with the Government of Canada, is the implementation of this bilingual districts program likely to derogate in any way from the continued use and growth of any additional language or languages in that bilingual district?

Mr. Drury: Mr. Speaker, the short answer to that is no. It is not the intention, either of the Official Languages Act or this report, or the intention of the government in relation to it, that bilingual districts should have that effect; nor will the program be allowed in any way to derogate from the rights, customary or statutory, acquired by any other language or language group in Canada.

Mr. Lambert (Edmonton West): A supplementary question. The reason I ask the question stems from the implementation of, shall I say, any minority language working unit where there is now within the complement of the federal service a sufficient number of employees that it is determined there should be a French or English or minority language working unit. In most cases it will be a French language working unit. In order to preserve the additional language capability of the service, will there be a requirement to add personnel to the office or establish the French language unit in, say, a city like Edmonton, in a post office, where Ukrainian is an essential language for serving the public?

Mr. Drury: Mr. Speaker, I am afraid the hon. gentleman has confused me a little. The creation and operation of units of work in which the working language is French does not, by definition, call for additional people. It merely establishes an understanding whereby the people in that unit will be able to work more efficiently in a particular language, in this case French, than they can in English. It has nothing to do at all with the speaking of a variety of other languages and the provision of services in those languages to the public.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Acting President of the Treasury Board (Mr. Drury), which I think is what he is today, if the government is prepared to affirm that it stands by the position set out in paragraphs 7 and 8 of the report, to the effect that the purpose of bilingual districts is to impose an obligation on the government, not an obligation on the public? Does the government also stand by the principle established in paragraph 9 that the creation of bilingual districts does not carry with it a requirement that the public servants in those districts be or become bilingual?

Mr. Drury: Mr. Speaker, I think the point raised by the hon. gentleman is a very important one. I hope that readers of the report will pay particular attention to this underlying principle against which the whole report should be seen and which consequently is the basis upon which we are establishing and intending to proclaim these bilingual districts. I am not sure I agree entirely with his interpretation of paragraph 9 when he says that—

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, perhaps I should have put in the word "all"—that it is not a requirement that all public servants in the district be or become bilingual?

[Mr. Lambert (Edmonton West).]

Mr. Drury: Mr. Speaker, with the addition of "all" I have no trouble at all in agreeing with the important point the hon. member has made, namely, that the purpose of the bilingual districts and the purpose of the proclamation of bilingual districts is to ensure in a formal way that the federal government and its offices will have the capacity to deliver services in either of the two official languages to those of the public who apply. Rather than forcing bilingualism upon the public, it enables them to continue to deal with the federal government in the official language of their choice.

Mr. Deputy Speaker: Order, please. As I mentioned at the outset of the afternoon sitting, Mr. Speaker did suggest that I recognize four questioners, and this I have done. I would be ready to recognize two more on very short questions, because two additional members are standing up, the hon. member for Esquimalt-Saanich (Mr. Munro) and the hon. member for Grenville-Carleton (Mr. Baker). I hope questions and answers will be short because questions and answers generate other questions. I will then call orders of the day.

● (1420)

Mr. Watson: Mr. Speaker, during this morning's session, when Mr. Speaker made reference to the questioning this afternoon, it was my understanding there would be no limitation on the questions. There are numbers on this side of the House who have questions, and I feel there should not be a limitation in respect of a matter as important as this one.

Mr. Peters: Mr. Speaker, I rise on a point of order. I intended to raise this point at the end of whatever the question period might be. I object to the fact that Your Honour has not, in fact, agreed or tacitly supported the position the Speaker took shortly before lunch. At the time there were a number of members standing, whose names he called. I had the floor at the time and I expected your bias to show in that regard, and when you did not recognize me I did not rise again. But, I, as a member, object violently to this arrangement where an agreement is not honoured by Mr. Speaker because the Speaker may have changed, and also to the bias that is becoming pretty evident from my own point of view in this regard.

Mr. Deputy Speaker: Order, please. The Chair does not accept the last part of the remarks of the hon. member. I think it is a reflection on the Chair and the occupant of the chair.

An hon. Member: It is, and it was meant to be.

Mr. Deputy Speaker: I think it is something the hon. member should consider withdrawing both as far as the Chair is concerned as well as the present occupant of the chair.

In addition, I wish to reply to the first point raised by the hon. member for Laprairie (Mr. Watson). I did not mention the Standing Order, but it does provide for the Chair to decide how long the question period should last. It is not the responsibility of the Chair to decide whether an

hon. member might have a question if he does not rise. I am not sure the hon. member for Laprairie did rise from his seat before lunch. Mr. Speaker mentioned to me that four hon. members had risen and had not been recognized before one o'clock. He put those names on a list and, of course, the name of the hon. member for Timiskaming (Mr. Peters) was included.

The hon. member stood up, but if he thinks that any time he stands the Speaker will go to him immediately, let me point out that it is the prerogative of the Speaker to recognize hon. members in due course when he feels it is fair to recognize them. The hon. member yielded to the hon. member for Winnipeg North Centre (Mr. Knowles), and that was his decision. As far as the reflection on the Chair is concerned, I do not accept it, and I would hope the hon. member would at least modify it or put it in other words.

Some hon. Members: Withdraw.

Mr. Peters: Mr. Speaker, I agree that we should not make suggestions reflecting on the Chair, but I had the floor and therefore did not have to yield to anyone. I called it one o'clock. What surprises me, Mr. Speaker, is that some occupants of the chair either do not know the rules or they misunderstand—

Some hon. Members: Order, order.

Mr. Peters: —my relationship, and this had bothered me on a number of occasions.

Some hon. Members: Oh, oh!

Mr. Peters: Members in certain parts of the House are amused by this, but I personally am not. If I made a reflection in respect of the Chair, Mr. Speaker, I withdraw that reflection, but the other remarks stand.

Mr. Deputy Speaker: Order, please. As a means of explaining, perhaps I might say I was not here at one o'clock and the hon. member's name was on my list as number three.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Acting President of the Treasury Board (Mr. Drury). From the report, it seems now agreed that there is no call for establishing bilingual districts in the province of British Columbia. Now that it has been recognized that there is no call to create such bilingual districts in British Columbia, I wonder whether the Acting President of the Treasury Board could indicate that the tower which was being erected for the creation of a French language television station in British Columbia is now to be dismantled or put up for auction to anyone else who wishes to use it.

Mr. Drury: Mr. Speaker, I have not received any advice from the CBC on this, so I cannot answer the question. I would suggest to the hon. gentleman that his questions about bilingual districts and the provision of services in two languages by the broadcasting corporation are really not related. The radius of action in respect of the population to be served by a radio or television station is quite different from the radius of action and service to be provided to the constituents through a particular government office.

Mr. Munro (Esquimalt-Saanich): You wait and see.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I have one question of the hon. gentleman about the statement he made regarding the fact that the government did not intend to increase any expenditures as a result of the creation of bilingual districts. How is the capability of providing services in two languages to be established—by training, by transfer, or by recruitment? If it is one of those that is chosen, how can the minister justify the statement that there will be no additional expenses in respect of language training in order that public servants in Canada will be able to comply with the requirements of providing these services within the districts?

Mr. Drury: Mr. Speaker, obviously the training at public expense of these people in order that they shall have the additional capacity will cost money. This is additional to a régime under which there would be no training and where there would be no upgrading of that character. The statement I made qualifying the word "additional" was "additional budgetary expenditures". We have a plan, of which I think the hon. gentleman is aware, to train, to recruit and to otherwise give effect to the designation plan of the government that has been in existence for some time. What my statement was intended to do was make it quite clear that there will be no expansion and no increase in this plan as a consequence of the proclamation of bilingual districts.

Mr. Baker (Grenville-Carleton): Mr. Speaker, does that mean, therefore, that the government's program, or the proposal before the government in respect of a pay differential of from 2 per cent to 15 per cent for those with the required language capability is not going to be used in respect of this particular program? Can the minister inform me whether it is the intention of the government now to proceed with that pay differential program?

Mr. Drury: Mr. Speaker, I cannot inform the hon. gentleman whether we will be proceeding with this plan or not. No decision has been taken on that particular topic. It will not, however, be as a consequence of or bear a direct relationship to the proclamation of bilingual districts.

Mr. Baker (Grenville-Carleton): Thank you very much.

Mr. Deputy Speaker: Orders of the day.

Mr. Watson: Mr. Speaker, I rise on a point of order. I indicated that I had a question to ask with regard to this announcement today by the government.

Mr. Knowles (Winnipeg North Centre): Proceed.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order, please. I should just like to mention to the hon. member that I was ready to recognize him, but he should know the basic rule, that if he wants to be recognized in this House he has to stand in his place. The hon. member did stand after I had called orders of the day. However, I will recognize him, but I wish he would

not try to complicate the life of every member of this House.

Mr. Watson: Mr. Speaker, I welcome the Government of Canada's rejection of unilingualism in the Montreal area and its affirmation that it will proclaim bilingual districts in that area. There is one thing, however, in the government's announcement today which somewhat bothers me: it will not go along with the recommendation that a special commission be set up to study better ways to implement bilingualism. In light of the number of failures in several areas of the bilingualism program, and the lack of real progress in bilingualism, it seems to me this is hardly justifiable on the basis of a tight budget. Does the government have any clear indication that this recommendation for a special commission can be accomplished in a different way? If so, I would like to know what that other way is.

● (1430)

Mr. Drury: Mr. Speaker, I had hoped that the statement I made this morning would have adequately covered this point. In the statement it was pointed out that there are now quite a number of institutions, both governmental and non-governmental, devoting considerable resources and energy to this particular question. It was our view that in a time of restraint we would be merely adding another body devoted to the same task, without any clear assurance that this new body would accomplish more successfully than the existing ones what is being done now.

Mr. Deputy Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

MARITIME CODE ACT

MEASURE TO PROVIDE A MARITIME CODE FOR CANADA

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, they say that becoming a parliamentary secretary is a broadening experience. In my short time in this role I am certainly finding that to be true. As proof positive of that fact, here today is a prairie boy with a farming background and some background in broadcasting and law engaging in discussion on this very important bill in respect of a maritime code for Canada which is, of course, of special interest to Pacific and Atlantic Canada.

Let me say I very much look forward to the debate which will now come forward concerning this legislation, and I am particularly anxious to hear the comments of my colleagues in this House, on all sides, particularly those from the coastal areas. In May of this year, the former minister of transport introduced in this House a most important piece of legislation, Bill C-61, the Maritime Code Act. It is part of a comprehensive program of reform and revision of Canada's shipping law and pursues the modernization of admiralty law provisions which were enacted in the Federal Court Act some years ago.

This bill is intended eventually to replace the Canada Shipping Act and a number of related laws dealing with navigation and shipping. It is a modern statement of Canadian law designed to keep the best of previous statutes and agreements, and at the same time to recognize today's shipping world and its practical complexities.

In spite of amendments to the Canada Shipping Act which have been made over the years, many provisions are obsolete by any modern standard. Contemporary use of water transport for both commercial and recreation purposes has increased substantially, and with that increase there is a growing concern for protection of the rights of all Canadians with respect to the economic, sociological and environmental consequences of that expanded use.

The patchwork-quilt approach of amendments to the Canada Shipping Act has not proved satisfactory, and it is appropriate at this time to carry out an over-all revision of shipping law in the light of current and expected future needs. The study program supporting the revision and reorganization of shipping law is, of course, an ongoing one and it would seem that the most suitable way to proceed with legislative action thereon is to present the material to the House in progressive stages rather than as one single, massive enactment. This provides a better opportunity for informed comment and debate.

It might be useful to outline briefly the physical arrangement of Bill C-61 as it stands now in this stage by stage process. The main body of the bill primarily does two things: it enacts certain provisions with respect to the coasting trade in Canada, pursuant to the Darling report, and it provides the power of authority for the maritime code itself.

That code is to be found set out specifically in schedule III of the bill. The first two schedules deal simply with a series of related and consequential amendments which flow from the act. They also provide a vehicle for phasing out the old Canada Shipping Act over time, and the phasing in of the new code.

The maritime code as set out in the third schedule consists of two major sections, or books as they are called, of maritime law. The first deals with general matters; the second deals with ships. When fully completed by subsequent legislative action, the code will consist of five major books altogether. The three yet to come will relate to the law on crew standards, cargo and cargo safety, and operational standards. While the total act will necessarily be a detailed and lengthy document, some appreciation of its intent can be gained by looking at a few of the major provisions in a summary way.

First, the act will apply to all Canadian ships no matter where they may sail. It will also have force over all foreign vessels operating in Canadian waters. This means Canada will control all shipping in its own waters but will also be in a position to answer for Canadian ships anywhere in the world.

A major provision of the Maritime Code Act is a new statement of what constitutes a Canadian ship under law. Since a law is only as good as the ability to enforce it, ownership requirements have been clearly set out. Perhaps the most important of these is that two-thirds of the directors and two-thirds of the officers of any company desiring to own a Canadian ship must be citizens of and resident in Canada. This means that we will be able to preserve expertise in marine management in Canada and that owners will be available to answer in law for their ships.

As I have mentioned, the main body of the Maritime Code Act contains substantive provisions dealing with the coasting trade of Canada. Hon. members will recall that following a report by Mr. Howard Darling on Canada's coasting trade, the government announced that it was withdrawing from certain articles of the 1931 British Commonwealth Merchant Shipping Agreement and that the Canadian coasting trade would be reserved to Canadian flag vessels. Last year we gave other member countries 12 months' notice to this effect.

The Maritime Code Act gives a new definition of the coasting trade of Canada that includes the carriage of goods or passengers from any port in Canada to any other port in Canada, whether by way of a foreign port or not. This will prevent unfair advantages by foreign ships in the cruise trade; these practices are detrimental to the economic interests of Canadian shipping. This definition also includes exploration or drilling platforms which are operating under Canadian jurisdiction. Dredging and salvage, which were implied in the old definition, are now expressly included.

Only Canadian ships will now be permitted to engage in the country's coasting trade, except when the public interest or an emergency demand otherwise. Non-Canadian ships enjoying the five-year grandfather rights will also be allowed to engage in the coasting trade. These grandfather rights will expire in April, 1980. They apply to ships registered in a Commonwealth country since September, 1973, and that have been regularly engaged in the Canadian coasting trade since September, 1972.

Non-Canadian ships will be issued licences to engage in the coasting trade upon payment of a fee. This fee will replace the duties of Customs applicable at present to foreign-built ships under the customs tariff. Fees will be set by the governor in council; they will be subject to various criteria and thus may vary from ship to ship, thereby allowing flexibility. The Maritime Code Act provides for fines up to $5,000 in case of non-compliance with the act. It also provides for detainment of the ship and forfeiture of the goods carried.

The definition of "port" in the act is more encompassing and include now, for the first time, all ports in Canada. The new definition will apply in areas where federal jurisdiction is clear, bringing within our scope supervision of cargo stowage in respect of grain, timber and concentrates, and supervision over certain crew matters.

● (1440)

Now I would like to turn to some of the specific provisions of the two books of law set forth in schedule 3 in the maritime code itself. Book one establishes the applicability of the maritime code and it provides for Canadian law to be extended to Canadian ships in foreign waters and to foreign ships in Canadian waters. Recognition is given to the rights of innocent passage of foreign ships passing through our territorial seas and express recognition is given to the right of intervention on the high seas in a case involving a shipping casualty where there is a threat of damage to Canadian interests or the environment. These sections involve law of the sea issues and take into account the possibility of future international agreement on these subjects.

In order to allow for greater public participation in the regulation-making process, provision is made in book one for prior publication of regulations in certain specified cases and, at the minister's discretion, for public hearings. The regulation-making power is quite flexible, allowing classification of ships for administrative purposes and the establishment of zones which may, in future stages of legislation, be used for a number of purposes such as environmental protection or traffic safety control.

The enforcement provisions contained in book one have been revised substantially in comparison with those in the Canada Shipping Act. Matters related to the detention of ships have been expanded and clarified. Arrest in civil cases has been extended to sister ships to conform with international practice and the procedures related to forfeiture have been set out in detail. As with respect to enforcement, the procedures relating to offences, penalties and fines have been clarified and co-ordinated where necessary with provisions of the Criminal Code. A new procedure for the service of a summons in the form of a ticket, and for payment of fines by mail in the case of minor offences, has been instituted. In ticketing situations, ships would be able to continue in trade. Shipowners will be able to acknowledge their guilt by paying the required fine, similar to the ticketing of cars, or they may contest it in court.

Provision has also been made for distribution of fines to enforcement agencies and to compensate persons suffering damage by reason of the offence. A fair degree of flexibility has been introduced in the detention provisions by permitting the minister to approve security in amounts less than the maximum fine provided for the alleged offence. A detention order may also be lifted where the person charged appears to answer the charge in court or where security is given in lieu of the anticipated fine.

The main categories of the provisions of book two, the ship, are intended to deal with the ship as a structure. First, with regard to the national character and status of a ship, provisions have been clarified and related to Canadian registration instead of registration of Commonwealth ships in Canada. New provisions dealing with the marking of ships will make identification easier for enforcement agencies. But appropriate exemption provisions exist for very small vessels.

Second, in connection with ownership, the provisions of the Canada Shipping Act have been substantially changed. Ownership through the present system of 64 shares in a ship has been eliminated and replaced by a percentage system. Qualifications for ownership have been changed from Commonwealth to Canadian and, with respect to corporations, there is a requirement that two-thirds of the specified directors and two-thirds of the officers of the

company be Canadian citizens resident in Canada. The primary purpose of these provisions is not to control foreign investment in Canadian shipping companies but, rather, to ensure that there will always be responsible persons within Canada to answer for the actions of a Canadian ship outside Canada. There is a clause in the act that permits present owners who will not qualify under the new law to remain owners of their ships as long as there is no change in their personal status.

Third, the system of port registry has been changed to a centralized registry system and a construction registry has been instituted to replace the recording system for ships under construction in order to allow ratification of the 1967 international convention on registration of ships under construction. The registry will be focused in the national capital region. However, it will be possible for shipowners to continue to file documents anywhere in Canada through local Customs offices which will act as a forwarding agent for the centralized registry. All the procedures relating to registry have been substantially altered in order to fit the new system, and this has made simplification of such procedures possible.

The point I think I should emphasize here, Mr. Speaker, with respect to this registry system is that centralization of records is really essential in order to provide an effective, reliable and universal registration system to ensure titles. But we will want to preserve the direct, personal aspects of registration, such as the ability to file documents, on a local basis as has traditionally been the case.

Fourth, with regard to the measure of ships, provisions relating to this matter have been considerably improved to take into account both the metric system and the new international rules relating to measurement of tonnage, and these should enable us eventually to ratify the 1969 international convention on tonnage measurements of ships.

Fifth, there are provisions relating to provincially-registered chattel mortgages. These permit any schemes concerning registration of chattel mortgages of Canadian registered small craft to continue unaffected where such schemes are provided by the legislation of any province. The only requirement is that notice be given of any such registered mortgage to the registrar of the federal registry. Thus, where there exists a provincial scheme in this respect concerning small craft licensed under the Canada Shipping Act, that scheme may be continued under the maritime code without change, provided simply that notice of the registered chattel mortgage is given to the federal registrar in order that the registry system may provide full title protection.

It may be argued that the ownership provisions of book one are too restrictive in view of the fact that the provisions of this bill require that a two-thirds majority of directors be Canadian citizens resident in Canada. It should be understood that these provisions of the code are not directly related to foreign investment but to exercise the necessary control over a ship which may be outside Canadian enforcement jurisdiction. Such a ship may engage in activities embarrassing to Canada and for which, in some cases, the Canadian government may be held responsible. In addition, these provisions are concerned with preserving an existing body of Canadian management expertise.

Subsection 6 of the Maritime Code Act provides a saving clause whereby owners of ships registered under the Canada Shipping Act remain as persons qualified to own a Canadian ship notwithstanding the new provisions, but only in relation to ships owned at the time the new provisions on ownership enter into force and only as long as there is no change in personal status of the owner. This clause will enable a smooth transition from the old requirements to the new ones and should not cause any disruption to the shipping industry.

It is possible, too, that the registry provisions of the bill may be criticized by those who object to the centralization of federal powers and agencies. Let me make it clear here that, as a westerner, I am very much one of those who generally sympathizes with these sorts of objections. Centralization simply for the sake of centralization alone, without good and substantial reasons apart from that, is something to which I object. Canada is too diverse, complicated and sprawling a land for a tightly clenched, centralized system of government and administration.

If centralization in some aspects of the government's work is to come about, it must be prompted by compelling reasons and these reasons exist, I believe, in the case of the registry system proposed in the bill. It should be pointed out that the existing port registry system under the Canada Shipping Act could be regarded as a rather wasteful and expensive one. The central registry is more efficient, both from the government's point of view in reducing cost and from the public's point of view with respect to inquiries into registration details. Centralization is necessary in order to take full advantage of modern registry techniques such as computerization of records. At the same time, the most personal aspect of registration—the filing of documents by owners—has been retained as an optional local procedure.

There may be some objection to the elimination of licensing for small craft and its replacement by the registration system on the grounds that it means increased paperwork. There is some merit for this criticism because the documentation under the licensing system was completely inadequate. Every effort has been made, however, to simplify the documentation procedure. Only craft of a sufficient value, related to size and horsepower, to warrant title protection will be registered, and all other boats will merely receive an identification number which implies no greater documentation than licensing.

Registration and the issuing of an identification number will carry a user charge. This is necessary because of the increasing cost of administration of the system. On the other hand, registration of small craft will give the boat owner adequate title protection which he did not have under the licensing system.

Mr. Speaker, may I conclude these remarks in the manner in which I began. Bill C-61 brings to Canadian maritime law a new and important measure of modernization and co-ordination in a comprehensive fashion, designed to be consistent with the practical realities of today's world. It will also place Canada in a position to speak more strongly in international maritime circles, in keeping with our position as a leading world trader. As I

have said, I look forward to the contributions which no doubt will be made in this debate by hon. members from all sides of the House.

● (1450)

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my first words must be to congratulate that fellow from Saskatchewan, the parliamentary secretary, not so much for his delivery of a technical address to us this afternoon but for following in the finest tradition of seafaring men from Saskatchewan—

Some hon. Members: Hear, hear!

Mr. Forrestall: —of which the Royal Canadian Navy had many and of whom we were very proud during the war, many of whom have found residence in the Atlantic provinces.

Mr. Munro (Esquimalt-Saanich): There is only one in doubt, and that is the minister.

Mr. Forrestall: Having said that, I must say that I could not follow the parliamentary secretary at all because he delivered a highly technical and, I am sure, a very valuable summary of the maritime code which is in front of us. Canadians have been waiting for this code since 1854, when we had the old, British system. I suppose this is a bit of watermark for us. We have tinkered with and made hundreds of amendments to this act. We took it from what was referred to as the old merchant shipping act. Now we call it the Canada Shipping Act. It has been called the maritime act; it has been called everything. Now we call it the maritime code. The fact of the matter is that as Canadians we have been waiting since 1854 for it, and before we do away with what we have lived with for 120 years or so, perhaps our appreciation to the United Kingdom and to the British shipping community should go on record for having lent us their expertise, guidance, direction and laws until this point in time.

In a sense, I suppose I am saying I welcome this effort by the two distinguished gentlemen from Saskatchewan with respect to maritime matters, and I say that very sincerely. Frankly, credit for it, I think, must go directly to the predecessor of the minister and to those with whom he worked and with whom the present minister must work in putting in place this bill.

Mr. McCleave: And Howard Darling.

Mr. Forrestall: And, of course, Howard Darling, from whom all good blessings in the direction of an ultimate Canadian merchant fleet seem to have been flowing in recent months.

Mr. McCleave: He is everybody's "darling" except the government's.

Mr. Forrestall: We welcome this bill because, as the parliamentary secretary said, it brings together in one unified code the various sections of a number of different statutes. It brings together in one single document, as the parliamentary secretary said, five separate books which in fact will bring some order into the chaotic situation we have had until this point in time. We welcome it. We note, as well, that it reflects pretty closely the sentiments of Bill C-216 which had an abortive introduction in the House back in July, 1973. In the process of considering this matter, I hope the minister will have a few minutes to speak, but I wish to place in front of him an inquiry as to whether this bill reflects any philosophical differences from the bill introduced originally in 1973. Most of us are too lazy to go back and reread it all, and perhaps the minister could tell us the basis of his briefing.

As I have said, we recognize the need to codify and bring together under this new code the somewhat confusing legislation which we find at times in our Canada Shipping Act, the steamship act, the steamship inspection act, and on through our various fisheries acts, environmental acts, and so on, and to present it in clear language. I emphasize the need for clear language not only in the legislation, but also in the regulations which will flow from it. In that respect, I would also place before the minister an inquiry as to whether he might give the shipping community interests in Canada, as well as the House and the standing committee, an opportunity to question him with respect to certain of the regulations which it is anticipated will flow from this legislation. We would appreciate the opportunity of commenting on them and to make some observations, if the minister feels that is a proper way to approach this particular bill. The regulations cannot be changed substantively because in effect they are doing the same thing as we were doing under old acts, so I hope that in this particular instance the minister will give us an opportunity to review certain of the regulations.

We also await with some eagerness the remaining chapters in connection with this new law and the long-promised section to deal with the general headings of crew, cargo, and operational standards. These are equally important to us. Hopefully, the community will not be kept waiting too long for clarification of the attitude of the government in these areas. Hopefully, we will be able to see the balance of this legislation before the end of this session, if in fact we get around to dealing with it, and perhaps the minister might respond to that at a later date.

In connection with this matter we file the caveats which have been alluded to by the parliamentary secretary. They have to do with the registration procedures and the centralization program, and the impact this will have in terms of the convenience of shipowners, particularly small craft owners, fishing vessel owners, and so on. A further caveat which would naturally flow from that would relate to a fear we might have—and we hope for some expression, again, in committee or from the minister this afternoon—as to the administrative burden which this legislation will place upon shipowners in terms of documents to fill out, papers to file, certificates to register, and so on. We reserve the right to look fairly closely at that particular aspect.

If I did not miss too much of what the parliamentary secretary had to say, I suggest he did not deal with the intentions of the government with respect to the shipping community interest. We will very much want to have the views of the shipping community generally, the maritime associations and shipowners associations. I think we should hear from the CBRT, and probably the SIU, with respect to the implications of this for the Canadian ship-

ping industry. I am sure the minister is quite prepared to go along with this.

There is a further caveat we should like to place on the record at this point. It has to do with my concern about the process of exemptions from the provisions of this bill. There are one or two clauses the purpose and intent of which we are not certain about. If I were to be partisan, I might say that they are to permit the polar icebreakers of the United States coastguard to go into the Arctic and transport, lead or escort massive tankers from the slopes of Alaska out through the Northwest Passage and down to the great ports off the New Jersey coast. This is being contemplated. I am not a partisan person when it comes to maritime activity, so I simply ask the minister, at some point in time in committee, or preferably this afternoon, to expand slightly on the opting out sections of this code. I ask this because I think the minister would readily agree that the exemptions in the past were granted on a sort of wholesale basis. It has been virtually a rubber stamp process for the CTC, and we would like to see this come to an end.

● (1500)

In a general way we are also concerned with the ad hoc approach to transportation in Canada. The movement of goods and passengers is a mode of transportation with which we are concerned. In two or three years' time when we complete the transportation overhaul we might end up with conflicts if not in practice at least in philosophy, and this might lead to difficulties. While we are a little bit concerned with the ad hoc approach I hasten to add that it is better than no action at all. At first blush I think it serves the shipping community reasonably well.

It is what this bill does not do that concerns me in a personal way. It says nothing about the need for a Canadian flag fleet for international seaborne trade. It says nothing about the Canadian army. As I understood it, what Mr. Darling was doing was in preparation for the rebirth of Canada's international marine fleet, which would put us in a strong, secure position with respect to the extractive industries of the north in those waters north of 63 degrees. It would be a mistake for the government not to secure the extractive industries in the north exclusively to Canadian ships, built in Canada to Canadian standards, crewed by Canadians, and subject to Canadian law.

I spoke of this matter last night with the parliamentary secretary, and I see that the minister is here this afternoon. I hope he will take my suggestion with respect to the north seriously. I do not suggest that the government is not concerned about this, and I do not suggest that we are not aware of the difficulty. As a matter of fact there is nothing in the north to take out right now, but in anticipation of what is there, the natural gas, the iron ore, the lead, I think we have a responsibility to indicate to the shipping community at home and abroad that it should develop the necessary technology and capacity to send our ships north of sixty.

There are one or two other reservations that we will deal with in committee, such as the substantive conditions of the code starting at page 12 and wandering through to page 16 or 17. We also want to look at the regulations. My colleague, the hon. member for Esquimalt-Saanich (Mr. Munro), will raise a question with respect to the opting out clause and its impact on the carrying of passengers on foreign ships between one Canadian port and another.

[Mr. Forrestall.]

I come back to what concerns me more than anything else with respect to this bill, although I believe it is not within the capacity of the maritime code to deal with the remarks I want to leave on the record. I will be very critical with respect to the books that are to follow this first book of the general maritime code. I am concerned with the ownership of vessels and the fact that shipping procedures are rapidly changing, increasing the cost of shipbuilding and fleet operation. This has driven many small firms out of business leaving control in fewer and fewer hands, technically known as monopoly situations.

Not only that, but governments around the world have begun to look again at the century old subsidization policies. Instead of of shelling out public funds with no strings attached, they say, "We want control of your business, we want men on your boards, we want voting shares in your companies". So the foreign fleets upon which Canada is totally dependent are increasingly the arms and tools of the express national interests of foreign powers. Mr. Darling suggests that Canada cannot safely rely forever on the whims of foreign governments for the vitally important shipment of Canadian exports and imports.

Remember here that about $8 billion worth of Canadian goods were sold abroad last year and about $7 billion worth of foreign goods were brought into Canada, and not so much as 1 per cent of this enormous total was carried in ships over which Canada has legislative control. If even a portion of Canadian imports and exports were to be crippled by a decision of offshore interests, the resulting financial and economic chaos would be staggering.

Standing alone between Canada and this unthinkable situation, protecting this vital trade, are the foreign shipping cartels, responsible to Athens, London, New York, Tokyo, Amsterdam, not Ottawa, completely beyond the reach of Canadian law and even specially exempt from it. They serve us well today, Mr. Darling suggests, but they might not even be here tomorrow.

He points to the growing trend of the South American governments to insist that all trade to and from those countries be carried in their national bottoms. He points out the increasing number of bilateral arrangements between even great "free trade" proponents like the United States, enacted with no regard whatsoever for third parties such as Canada. He points to the diminishing ports of call brought about by containerization, and wonders where Canada will stand at the next notch in the ever-advancing development of ship technology. He points out that with all the federal and provincial money spent at Port Hawkesbury, St. Romuald, and Come-By-Chance, no one had the initiative or the foresight to require any type of shipping clause to protect some percentage of the traffic for Canadian ships. This is what we are hitting at.

We have closed the gulf but we have not closed north of sixty. Why? Even if the legislative process takes some time, let us tell the world that we intend to do it, and not spend 20 years in the doing of it. Nothing was done with respect to Come-By-Chance, for example. The principle is that first in will get the business, and keep it. Who is

hauling oil for the refinery at Come-By-Chance? Are Canadian ships carrying oil?

● (1510)

Mr. McGrath: It is in British bottoms.

Mr. Forrestall: There is not one Canadian bottom carrying that oil.

All around, without and within, the ability of Canada to counter effectively world pressures on our foreign trade is severely limited. Worst of all is the over-riding neglect and, to a degree, international mockery to which this Liberal administration has subjected our maritime shipping policy. In a word, we are being laughed at. Mr. Darling tells us the obvious: the government simply does not care.

In the 15 to 20 years of my involvement in politics I have known only one government member, a former minister of transport, who was interested in maritime matters. Twenty years after he began talking about maritime policy the government is acting. I suspect his interest was created by his concern for labour. At least he proposed a maritime policy. Nobody else on the government side did. If the government had shown interest in shipping ten or 15 years ago, the legislation would now be in place and Canadian shipping would be carrying our goods. The north also would have been protected. If the United States had asked for our co-operation with respect to the north, we should have been able to oblige.

I also raise the question of where we buy our technology. We have bought expertise affecting the north from Finland. If the appropriate laws had been in place that would not have been necessary. If we had wanted to buy a certain technology from Finland, for example, we should have been sure that those in Finland would not pick up a telephone, buy the information from a Canadian engineering firm in Montreal, as happened recently, and sell it to us.

The minister probably has not been fully briefed by his department. At some point someone will tell him the amusing story of Canada purchasing information from the United States. The United States people, in turn, obtained the information from Finland, and the Fins obtained it from Canada. And you know what Canada paid for that information? The price was 17 times higher than it would have been a year and a half before, when it was sitting on a shelf in this country collecting dust. That is an interesting story.

Mr. McGrath: And is part of the reason for our present mess.

Mr. Forrestall: On the matter of a Canadian flag fleet, Mr. Darling expressed the following clear view:

> ... the use of Canadian flag shipping remains a valid long term objective not to be achieved at one stroke but step by step as our ability to protect our interests in the field becomes established and yields practical results.

We shall see those practical results when the government, conforming to the expressed will of the Canadian people, develops our offshore fleet and protects the extractive industries of the north.

Let us put it another way. There is not a single container ship, single tanker, single bulk carrier—and only three merchant ships—flying the Canadian flag on the oceans of the world.

Our oil, bauxite, and general cargo are imported in foreign flag vessels, for a fee. Our wheat, grain, coal, aluminum, steel, and general manufacture are exported by foreign flag vessels, also for a fee, which as noted last year came to an estimated $1.5 billion.

In addition to the impact upon our maritime regional economies a Canadian merchant fleet would have, it could also provide upward of 10,000 jobs for Canadian merchant sailors. Having said all that, I express to this House the attitude of virtually the entire shipping community that the policy process involved in shipping matters within the federal cabinet is totally inadequate for the 1970's and 1980's. The cabinet being the threshold for all decisions, most necessary decisions simply are not made. We are going too slowly. True, we must go step by step; yet surely we need more than one piece of legislation every three or four years. Let us pass legislation in this area as one package and thereby determine the impact it will have on rail transportation, air transportation, transportation by pipeline, etc.

We have the fullest confidence in the ability of Mr. Illing and his shipping advisory committee to make recommendations to government on this score, and trust the government will act on them with haste. I pay tribute to Mr. Illing and his associates. The task ahead of the committee is enormous, but it seems to be coping reasonably well. We wish him and his associates well in this work, and trust the government will adopt the recommendations of that group expeditiously.

Let me conclude with some general comments. We welcome this bill but wish it had been brought forward in 1973. We wish that we could be considering the balance of the necessary legislation, and that the government had declared its interest with respect to extractive industries north of 60 degrees and its intention to restrict those industries to the exclusive use of Canadian ships, when those ships can perform the task.

Those are all the points I wish to raise at this time, being confident that we can raise substantive matters in committee. We welcome the bill and wish the government success with the implementation of the first part.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, Bill C-61 is designed to provide a maritime code for Canada. It belatedly and only partially answers the long standing need for a Canadian shipping policy.

Canada is a leading trading nation in the world. We realize, whether one represents a maritime constituency, as I do, or lives in another part of Canada, that a shipping policy which will enable us to send our goods to the markets of the world is absolutely imperative. Unfortunately successive governments have shamefully neglected Canada's shipping interests.

As the hon. member for Dartmouth-Halifax East (Mr. Forrestall) showed, we export annually about $8 billion worth of goods and import about $7 billion worth. On this $15 billion worth of goods leaving and entering Canada

annually, we pay charges of between $2.5 billion and $3 billion annually. Less than one per cent of this tremendous tonnage is carried in Canadian ships. This difficulty has confronted us for the last 20 years.

Although I do not wish to be discourteous to the parliamentary secretary who explained the bill concisely, I was disappointed not to hear the Minister of Transport (Mr. Lang) make a statement about the government's long term shipping policy and the objectives it has in mind.

For many years members on all sides have urged successive ministers of transport to formulate and put forward a clearly defined Canadian shipping policy. True, Mr. Howard Darling was appointed and his group has made two excellent reports. Yet, apart from the one or two provisions introduced in the legislation which I shall discuss in a few moments, we have not seen any clear-cut formulation of Canadian shipping policy.

The nub of the matter is that Canada has allowed itself to be entirely at the mercy of the world shipping cartel. The effects were evident in 1973 and 1974 during the oil crisis when we were forced to move western crude oil to Vancouver, thence down the west coast, through the Panama Canal, and up to east coast ports.

● (1520)

At that time, when some of us were pleading with the then minister of energy, mines and resources, now the Minister of Finance (Mr. Macdonald), to enter into state trading arrangements by which the Government of Canada could purchase oil from oil-producing countries, the minister admitted that the multinational oil companies controlled a very large part of the shipping facilities for moving oil on the seas of the world. That situation is not going to improve. It is likely to get worse. The Arab countries are investing very large sums of money in the construction of oil tankers.

It is significant that in the last ten years there has been a switch in our sources of oil supply. Ten years ago 80 per cent of our imports came from South America, mainly, Venezuela, and the balance from the Middle East or Africa. Today 75 per cent of our oil imports come from the Middle East and Africa. This means we are going to be increasingly dependent upon the oil tankers of the multi-national oil companies and of the shipping cartel, and we will be paying a very heavy price for the movement of that oil.

One fact is very significant. During the period when we were moving oil from western Canada through the Panama Canal, of the 32 tankers used in moving western oil through the canal not one tanker was a Canadian ship. I make reference as an illustration to the UNCTAD proposal which was supported by many of the sea-faring nations. It suggested that 40 per cent of a country's trade should be handled on a national basis. Canada in that instance abstained.

Canadians have a right to ask why we are in this unenviable position. It is not because we cannot build and man ships. We who are old enough will remember that during the war Canada did develop a merchant fleet. We built ships and manned them. We had the materials with which to build ships and we had the personnel to sail them. In 1947, we had between 200 and 300 ships under Canadian registry. Today we have less than ten. In fact, the last figure I saw showed a total of only three.

Some of the ships that have been built under the government's shipbuilding subsidy program were transferred to foreign registries after the required period of time expired. That is not a situation or condition of which any nation can be proud, particularly a leading trading nation. It was for this reason that Mr. Darling was appointed to make a report. He recognized very clearly and distinctly the need for a Canadian merchant fleet. In his first report in October, 1970, he said, and I quote:

> The use of Canadian flag shipping remains a valid long-term objective not to be achieved at one stroke but step by step as our ability to protect our interests in the field becomes established and yields practical results.

When Mr. Darling said "not to be achieved at one stroke", he certainly did not mean the government should take five years from the time he filed his first report to take only a very faltering step, with no long-term objective as to whether that faltering step will lead to successive steps that will eventually give us a Canadian merchant marine.

Mr. Darling quite properly pointed out that there was a need for haste. He made it clear that shipping was being concentrated in fewer and fewer hands. Therefore we are not dealing with a free market with respect to major shipping. We face the prospect of being subservient to a shipping cartel. He points out that more and more foreign governments are investing in shipping and directing that shipping under their control so that they can use it for whatever political purpose, economic or trading objectives they have in mind. Some South American governments are now discussing the advisability of requiring all shipping to and from their ports to be carried on ships of national registry.

Because he recognized the seriousness of the situation Mr. Darling recommended that the first step should be that all ships engaged in trade between Canadian ports must be of Canadian registry. Since 1970 members on this side of the House have been bombarding the government with questions as to when this particular recommendation of the Darling report of October, 1970, would be implemented. We now have legislation which we welcome in so far as it takes this first step as recommended by Mr. Darling.

We think this legislation will be helpful. We are, however, concerned about some of the loopholes which are to be found in Bill C-61. I express the hope now that the standing committee which will be examining this bill will give some of these apparent loopholes very careful consideration. I also hope the government might be prepared to clarify and amend some of the provisions of the legislation so as to plug these loopholes.

The effectiveness of this legislation depends almost entirely on how the government handles the exemptions provided for in the bill. There are two main loopholes, as I see it, providing for exemptions. The first is clause 10 which gives the Canadian Transport Commission authority to grant permits to Commonwealth Country ships so that they are allowed to operate in our coastal trade until 1980. I commend the government for having given the required notice under the British Commonwealth Shipping Act. The notice was given in 1974 so we have complied with

the required 12 month notice. We are no longer bound by this agreement.

This legislation extends to 1980 the right of Commonwealth ships which operate in our coastal waters if they are granted a permit by the Canadian Transport Commission. The only requirements are that a ship must have been registered in a Commonwealth country on or prior to September, 1974, and that 12 months prior to that date and since it must have operated in Canadian waters. There may be very sound reasons for this grandfather clause. Some of those reasons may apply in the Atlantic provinces, but I do not think they apply on the west coast of Canada.

● (1530)

I believe the committee should examine clause 10 very carefully to make sure that the criteria set out are relative to the situation, and that there is some compelling reason why this five years of grace should be granted to ships of other members of the Commonwealth.

The second loophole which provides for the granting of exemptions is to be found in clause 11. This clause allows the Canadian Transport Commission to issue licences where it is satisfied that the use of a ship other than a Canadian ship is in the public interest. That is a very general phrase. I think one could drive a convoy of trucks through a loophole like that. Mr. Darling suggested that exemptions to permit ships not of Canadian registry to participate in the coastal trade of Canada should only be granted where Canadian vessels are either unavailable, insufficient, or inadequate for the purpose. That is much more specific.

If an applicant for an exemption has to show that there are no Canadian ships available, or no Canadian ships that are adequate or sufficient for the task in mind, that is a clear cut limitation under which the Canadian Transport Commission would be empowered to grant an exemption. But for a clause to provide that the Canadian Transport Commission can issue an exemption to any ship where, in its opinion, the public interest is involved, seemed to me so general, so vague, and so indefinite that it makes the legislation which the House is now debating almost meaningless.

I think there would be a good deal of concern on the part of those who have been pressing for the implementation of this recommendation in the Darling report that under clause 11 the Canadian Transport Commission, on the grounds of public interest, could hand out exemptions to ships of all classes and sorts, with the result that the intention of preserving the coastal trade of Canada for Canadian ships could be completely circumvented.

I would also draw to the attention of the House the fact that clause 11(4) gives the Governor General in Council, on the recommendation of the Minister of Transport, the authority to order the CTC to issue a licence to non-Canadian ships to participate in the coastal trade of Canada. This could mean that even where the Canadian Transport Commission has not been convinced that it is in the public interest to grant an exemption, the minister, by applying to the cabinet, can secure an order in council ordering the Canadian Transport Commission to issue a licence permitting non-Canadian ships to carry cargo between Canadian ports and in Canadian waters.

I think it is interesting that the provisions relating to how these powers will be exercised are to be spelt out in the regulations. But I point out that the regulations themselves are going to be passed by the Governor General in Council, so that the cabinet will set its own guidelines as to the terms and conditions under which it can order the CTC to grant an exemption. I submit, Madam Speaker, that this is not good enough.

If parliament in good faith is going to pass legislation requiring that Canadian ships shall be used in Canadian coastal trade, I think this House has the right—and I hope the committee will demand that right—to insist that the grounds for granting exemptions must be spelt out in some detail, so that exemptions are not granted easily, either on the recommendation of the minister or by the Canadian Transport Commission on such a vague premise as the claim that to do so is in the national interest. If we do not do this, the legislation we are now dealing with will be little more than a farce.

Let me close by saying that this legislation, which we welcome in so far as it takes the first faltering step toward the objective I have been talking about, is not a cure-all for the shipping problems that confront the country. This is why I hope that the minister early in this debate will set forth what are the government's long-term objectives.

One of the first actions that must be taken is the adoption of a shipbuilding policy by which we can build ships in Canada. When one stops to think, almost every type of material which goes into the building of a ship can be produced in Canada, be it steel, aluminum, copper, or any other ingredient. We certainly do not lack the manpower to build those ships. We demonstrated during the war that we had the personnel to sail ships.

Mr. McGrath: We can give you all the sailors you want, Tommy.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Yes, and not only from the coastal provinces. During the war we demonstrated that Canadians from every part of Canada could sail ships, with proper training. The government ought to be prepared to tell the House now that it has in mind as a long term objective the construction of a Canadian merchant fleet, that it is going to move progressively toward that end, and that the measure now before the House to give Canadian ships preference in Canada's coastal trade is but the first step—a welcome step, but it is still only the first step—in the long-term program that the government intends to put into effect.

I also think the government should take a look at its shipbuilding assistance program. I see no reason why a shipping company should be able to get financial assistance at the expense of the taxpayers of Canada, keep a ship under the Canadian flag for the required period of time, and then put it under a flag of convenience over which we have no control, despite the fact that the ship has been built with the assistance of Canadian taxpayers. It seems to me that the boot should be on the other foot.

If a ship is going to be built with Canadian financial assistance, it should remain under Canadian registry, unless the Canadian Transport Commission can be persuaded that there are good and rational reasons for allowing the owner to tranfer the ship over to the flag of another

country. Therefore, Madam Speaker, I hope the minister, who has not yet taken part in the debate, will outline what the government's policy is with reference to a shipping policy for a trading nation like Canada.

● (1540)

I hope the minister will indicate what steps the government intends to take to make sure we are not left completely at the mercy of the great shipping cartels, and indicate what we intend to do in order to use our own materials and our own manpower to take Canadian goods in Canadian ships to the markets of the world. That is the kind of policy we want to hear enunciated by the minister. We shall listen to what he has to say with interest and with the devout hope that at last Canada is going to have a genuine shipping policy.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I will try to be brief. I must first thank the parliamentary secretary for his statement in which he quite adequately summarized the bill. I will not reveal anything new by admitting that I have not read the 84 pages that make up the bill. I am not a shipping expert and I do not even live in a coastal area as is the case with the previous speakers. Accordingly, I will merely make a few general comments to show the minister what the people of Quebec, since I am from Quebec, expect from this legislation the purpose of which is to create a Canadian maritime code. The minister must be congratulated, because this code will be the first one in Canada. At last, we will have our own Canadian maritime Code to replace the old British shipping act which was our basic legislation since the early days of Canada. I think it will amount to Canada being recognized on the seas.

But despite all the minister's good intentions, we are concerned with the matter of Canadian and foreign vessel registry. I presume that everything will be clearly stated in the act. But our main concern here is that when it comes to defining the minister's special powers to licence ships, I feel we must exercise extreme caution. The act must be quite specific so as to limit the extraordinary powers given the minister. I note that every time we enact some legislation, there is at the end a provision to the effect that the minister will decide in special cases. Too often special cases become the general situation. There are good ministers, and I have no misgivings about the present one, but although ministers change the act remains. We are left with the same permissive statute whereby the minister might act against the interest of Canadian shipping. This is why I wanted to draw the minister's attention so this may be adequately debated in committee, in order that the door is not open to ministers to grant licences in "special" cases.

There is a second question of interest to every Canadian, that is merchant shipping. We are establishing a shipping code, but this is by no means establishing a merchant navy. I remember after World War II, there had been perforce a shipbuilding boom and at a certain time we had some kind of a merchant navy we could call Canadian, although it was not entirely under Canadian registry. But since that time, I believe things have deteriorated to the point that our shipping is on the verge of disappearing, as other members said before me. We have almost no more merchant ships and I wonder where the blame lies? Was there a lack of ship owners, of men interested in helping Canada have its own merchant navy, or have there been a government that did not do the effort needed to maintain and upgrade such a merchant navy?

I believe that is where the problem lies. As a matter of fact, I have been reading for years about the regressing of our merchant marine. On the other hand, our government has offered subsidies to foreign countries to come in our province in our country, to build merchant ships, because, they said, they needed to ensure a livelihood for our workers.

● (1550)

I believe that this was done with good intentions, namely to provide work, but in my opinion it was temporary work. There is a Chinese saying to the effect that if you want to help someone for a day, you must give him something to eat, but if you want to help him for the rest of his life, you must show him how to fish. With this in mind, I feel that the government would have been better advised to use this money in providing wages for our workers and guaranteeing them. This would have enabled Canada to won its own vessels, to have today a merchant marine which could meet at least 50 per cent of our requirements. Instead, millions and even billions of dollars were used to promote foreign companies while Canadians were neglected, they who could have created something for Canada, something which we now have to create.

As the previous speaker said earlier, we shall depend and we now depend on foreign monopolies for our shipping trade. We shall suffer the consequences of this situation. This has been the case for some years already. Foreign companies will set their own rates and tomorrow they will rule the seas. Transportation is increasingly becoming monopolistic. If the government does not change its mind and say it is essential to set up our own merchant marine, I believe, Madam Speaker, even with a good Maritime Code, the Canadian economy will gain nothing.

I mention this to attract the attention of the Minister of Transport (Mr. Lang) so that we may discuss this matter seriously when the bill is referred to the standing committee. If we cannot guarantee that Canada will have its own merchant marine in the years to come, it is useless to waste our time passing such bills. Once again, I hope that we shall take a step forward and that work will go on. I should like to add just a few words to draw the minister's attention to the issue of the environment and sea pollution.

Because the Canadian government was not motivated enough, because it has no merchant marine, it was not interested enough in supervising our territorial waters. I trust this legislation will be severe enough towards the polluters of our waters to oblige them to clean them up. Some ships come through our waters, pollute them, to oblige them to clean them up. Some ships come through our waters, pollute them, then leave it up to the government to clean up behind them.

I do hope this act will be severe enough to make the owners whose ships pollute our waters responsible for cleaning them up, and force them to clean up the mess when they have been proved responsible for the pollution.

I hope therefore that this bill will bring what seems, at first glance, to be something good for the Canadian people. Such a bill cannot be rejected off hand because it is for the good of the Canadian people, and I trust it will give us what we expect from our shipping trade.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, it seems to be my fate to be called at the hour in which the debate is to be interrupted. This has happened to me on a number of occasions. I am prepared to have my speech interrupted on this occasion. However, I believe this debate is really too important for a Friday afternoon. Friday afternoon debates might be reserved for less important matters than the one before us today. I am glad we will have the opportunity to carry this over into next week so that we may have a close look at the measure before us.

May I say that I am at least the third Saskatchewan born person to participate in a debate on the Canadian coasting trade, the merchant marine. There might have been one more. I do not know whether the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was born in Saskatchewan. I do not think he was. In any event he has certain relationships with Saskatchewan.

Mr. Knowles (Winnipeg North Centre): He gave birth to it.

Mr. Munro (Esquimalt-Saanich): Saskatchewan is having its innings. We have a noble vessel, the HMCS Saskatchewan, which performed veteran service and of which we are all very proud. Saskatchewan produced many sailors for our navy during the war. It has produced many of our maritime servers, the members of our present maritime forces.

Once again another person born in Saskatchewan stands to defend, support, and urge the creation of a merchant marine for Canada. This stands to reason after all because one of the great shippers of bulk products from Canada is Saskatchewan. Since many of our products that are being sent abroad in foreign bottoms come from Saskatchewan—and I think even the parliamentary secretary is prepared to admit this—it is right that Saskatchewan should have its say in respect of this bill.

My interest in matters relating to maritime affairs has been heightened because of the fact that I look out from my home on Vancouver Island on one of the great sea lanes of the world, a sea lane which leads Canadian commerce to and from Vancouver. We did have a large international harbour, particularly for passengers and less for trade, but still partially for trade, in Victoria, but the big trading port is Vancouver. I remember as a young man in Vancouver going down to the pier and seeing vessels bring in and carry away our trade. This gave me the inspiration to develop my interest in maritime affairs. With that I should like to call it four o'clock, Madam Speaker.

The Acting Speaker (Mrs. Morin): It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, and private bills.

Motions

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mrs. Morin): Motion No. 2 in the name of the hon. member for Hamilton West (Mr. Alexander). Is the motion allowed to stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 15 in the name of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion 19 in the name of the hon. member for Laprairie (Mr. Watson). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 20 in the name of the right hon. member for Prince Albert (Mr. Diefenbaker). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 34 in the name of the hon. member for Winnipeg North (Mr. Orlikow). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 37 in the name of the hon. member for Edmonton-Strathcona (Mr. Roche). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 5 in the name of the hon. member for Malpeque (Mr. MacLean). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 1 in the name of the hon. member for Egmont (Mr. MacDonald). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 6 in the name of the hon. member for Lotbinière (Mr. Fortin). Shall the motion stand?

Some hon. Member: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 42 in the name of the hon. member for Churchill (Mr. Smith). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mrs. Morin): Motion No. 4. Shall the motion stand?

Some hon. Members: Stand.

Deductions for Volunteer Services

INCOME TAX ACT

SUGGESTED AMENDMENT TO PROVIDE DEDUCTIONS FOR VOLUNTEER SERVICES PROVIDED FOR CHARITABLE ORGANIZATIONS AND GOVERNMENT AGENCIES

The House resumed from Friday, November 7, consideration of the motion of Mr. Reynolds:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act to provide for deductions for volunteer services provided by a taxpayer on behalf of either a charitable organization or a federal, provincial or municipal agency.

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

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): No, Madam Speaker. On this particular motion I understand that the hon. member for York South (Mrs. Appolloni) will be leading off the debate on behalf of our party.

● (1600)

Mrs. Ursula Appolloni (York South): Madam Speaker, may I start by commending the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) for having brought this issue before the House. If I join in the debate it is in a spirit of constructive criticism rather than destructive nihilism. As I said, I commend the hon. member for the dedication and tribute he has paid to the volunteer sector which, until now, has all too frequently been treated with reactions widely ranging from enthusiasm to polite tolerance, and thinly veiled apprehension, to downright exploitation.

Personally I firmly believe that the presence of a strong, creative and dynamic voluntary social service force is of vital necessity to the social and economic well-being of the community. If the government is to serve the community in a way best fitted to its requirements and aspirations, then independent links in providing information about needs and gaps in services is essential, and who better than the private, independent member can assess the real human needs of that community?

More and more the peer or lateral view is accepted as authority rather than the generational or hierarchial one. More and more organizations are seeking their board members among individuals who are noted for their special experiences and personal involvement rather than, as was the case before, among those who were sought for their wealth, status or connections. In the social field particularly workers recognize that people within the situation are the ones who really perceive and can attack the problems. It can thus be argued that an ex-inmate is probably the one with most expertise on the needs and aspirations of prisoners, and that a reformed alcoholic can best help the habitual drunk. The list includes many other sectors and in each, indeed, volunteers are already working with remarkable success.

Perhaps the most pressing need of a rapidly changing society is the necessity for innovative and even experimental action, but all too often institutions tend by nature to react rather than to initiate. My own city of Toronto provided an example of this in the immigrant community. For years immigrants had been left very much to their own

[The Acting Speaker (Mrs. Morin).]

resources with consequential hardships, isolation, and other grave social and economic results. This was harmful not only to the immigrants themselves, particularly where language and cultural values were concerned, but also to the recipient community as a whole.

That these problems were recognized and alleviated was due in a large measure to the efforts of three independent individuals, themselves immigrants, who over the years volunteered their indefatigable efforts toward the eventual establishment of an institution now dedicated to the integration through education of these immigrants. I am happy to remark that one of these volunteers of whom I have just spoken sits on this side of the House; he is the hon. member for Davenport (Mr. Caccia). However, before those services were instituted, there was no existing establishment which could have carried out the invaluable work done by COSTI.

In other words, even if tax amendments such as the hon. member for Burnaby-Richmond-Delta now advocates were allowed, people such as the three I described above would not benefit because the ideal to which they contributed their efforts did not exist, and therefore could not qualify as a charitable institution. Surely there must be countless similar examples.

I would now like to cite an example of a different kind, but again of the impossibility of benefit as proposed in this bill accruing to the volunteer. I refer to people who are themselves on welfare and yet do incredible good for their fellow men at the bottom of the poverty scale. The person who runs a hostel to help destitute women in Vancouver is a prime example. The mission is operated entirely from donations received. The organizer herself lives on welfare, and therefore could not benefit from tax concessions for the simple reason that she does not pay tax.

Finally I would like to add yet another example to prove why a proposal such as the one under discussion would heap upon a special sector of our society yet another inequity. Although happily the composition of the volunteer force is rapidly and dramatically changing, the fact remains that according to a recent study entitled, "Volunteers, the Untapped Potential", the largest single category, that is 52.9 per cent of volunteers, is found in the occupational category of housewife, and here again not too many housewives have to pay income tax and therefore they do not fill out income tax forms.

Even the finest of human legislation contains loopholes and inequities, but when the inequities are as obvious as they are now, then I believe that we should oppose even the proposal.

There are other considerations too. While many charities welcome volunteers, many need cash much more than they need volunteer service. This latter category would undoubtedly be prejudiced by such a change in the law. Organizations such as Save the Children Fund, UNICEF, and others such as humane societies, are examples. Look at the Red Cross—it and society will benefit more by having a surgeon operating in a hospital and donating his fee than by rendering his services to drive a car.

The administration of the scheme would create a horrendous problem, and more important still, especially in view of the present economic situation, it is estimated that the

cost to the federal and provincial governments would be well in excess of $100 million a year.

Because of these and other reasons, while I do have sympathy with the substance of this proposal I must oppose it on grounds that it would lead to inequities, administrative problems, and substantial loss in revenue.

Mr. Roger Young (Niagara Falls): Madam Speaker, I rise today to join the debate with similar feelings to those of my colleague who has just spoken. As she so well pointed out, we all agree that the idea of encouraging people to do good works is commendable. No one would want to dissuade any citizen from good works and charitable undertakings. My question is quite simply whether this is the way to do what the motion sets out to do. The methods, not the aims of the motion, are what give me concern.

When we are considering this subject we find that definitions are the all important question. What is charity? What is a charitable work? I say that this motion is about motivation. Leaving aside the specific personal reasons why individually we do charitable work—whether it is from some hope of personal salvation or to make amends or receive absolution for our sins, or perhaps as a way of thanksgiving, not a selfish way but a grateful thanks for our own good fortune and our desire to be brotherly or sisterly and give human comfort to those less fortunate—what would this sort of motion or suggestion do to the subject of motivation? I suggest to you that there is a pyschological need or motivation which encourages us to undertake such charitable good works. In return there is a psychological and emotional feeling of accomplishment and of good will towards men.

● (1610)

I am afraid that the good intent of this motion may find itself translated into a self-defeating mechanism. Instead of volunteers, we are going to wind up with a system of paid workers. Instead of giving, people may only be seeking a tax refund. I am afraid that we will be bureaucratizing charity; that we will be purveying good will.

There is an old maxim that it is far better to give than to receive. I am afraid that we will be turning that into the statement that we should give so that we might receive. We will be defeating ourselves. This motion will encourage nothing more than a great deal of government interference, a bureaucratic control of good works.

If I may say so, I am a little surprised that such a motion springs from my friend, the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds), who is usually very concerned about the growth of bureaucracy and the amount of government control of our economy and our lives. This measure will do nothing more than encourage a further bureaucracy in what is essentially an individual undertaking.

Good works, charity, love, a feeling between human beings and a feeling for the less fortunate, are all things which come from within the human breast on an individual basis. They are not things we do because we expect a benign wink from the tax collector. They are not something we do because we are looking for write-offs or gimmicks. By all means, let us continue to promote and encourage charities and good works, but at what cost? I am afraid there will be a distortion created by the encouragement of such undertakings by means of a tax gimmick.

When we are legislating I think we are subject to some laws and principles ourselves right here which are akin to the various laws of physics. One of Newton's laws is that for every action there is an equal and opposite reaction. For every law we devise, for every one we put on the books looking for a certain result, we must always recognize that there is another side to the coin, or another reaction to that which we propose and put into force. I am afraid that by this motion, which seeks to encourage the doing of good works, we will translate whatever motivation for those good works which now exists into an attitude not of "what can I give?" but of "what can I get?"

Let me pose the hypothetical and ask what would happen if it were to go ahead. I think we get back to the two questions with which I began: what is a charity, and what is charitable work? What is an adequate degree of comparable compensation for those who do charitable work and for those who provide services? Is it to be a varying compensation for varying levels of people, or is it to be a variation dependent upon the service given?

Is the professional man or the rich man of more value in doing his charitable work than an hourly paid worker who is also involved in charitable undertakings, or is this dependent on the service or the performance either of them give? We can have a situation where a professional man or high salary earner does a very important job for charity and the hourly paid worker does a less important job for the same charity or a different charity, but there can be the reverse as well. There can be a case where the hourly paid worker gives a far greater service to a charity than the professional man. How are we to judge the compensation for such services and for time?

I suggest that the maze of computations is incalculable. It would be impossible to administer such a system fairly, and while we attempt to begin with a motion which seeks to create a situation encouraging good works, good will, and benevolent and charitable undertakings, I fear we will wind up with a result which will amount to gnashing of teeth, cursing of the taxman, and a feeling of bad will amongst mankind because of the jealousies which will undoubtedly arise from the fallibility of the human spirit, and the jealousies which will arise as a result of the differing prizes awarded for differing good works done.

What is a charity? Is it to be one which is already approved by the Department of National Revenue and recognized by it, one of those which has a charitable number to which you can now make a donation and receive a tax refund, or is charity a charitable undertaking? Can it also include the doing of good, the conferring of a benefit upon the less fortunate, in the kind of broader definition of charity as we now know it?

When we talk of compensating charitable services, who is to say that work for the Red Cross, the United Way agency or some other, is any more charitable than work done by the man who, without recognition to himself, but at cost, on any street in any town in Canada shovels the sidewalks in winter, or the goodhearted fellow who fixes the window which is broken, fixes shutters, or puts a hinge back on a door for the four or five old age pensioners on his

block? Is he any less charitable than the person who gives a service—let alone money—to a recognized charity? What happens to him if his kind of charity is not recognized in terms of a motion such as this? I suggest that we will be creating a disincentive for those kinds of people to undertake such charitable good works.

Aside from the feeling a man can get, or his own personal rewards, I suggest there would be a disincentive because everyone will be encouraged only to give services or money to those charities which are recognized by the Department of National Revenue. That will create a disincentive for good will in the broader sense in this country. As a result there would be no return for the donor. I think this will destroy individual character and individual incentive because a person can only receive a refund if donations are given to a government recognized charity.

In summary the point I wish to make is that we all know how very difficult, if not impossible, it is to attempt to legislate morality. Legislators have known that since time immemorial. If we cannot legislate morality, how do we begin to attempt to legislate good will amongst mankind?

We have various holidays every year. We are approaching Christmas, the celebration of one who almost 2,000 years ago gave His life trying to promote feelings of good will among people. How well has He succeeded? How well will we succeed in an attempt like this, or will we really wind up defeating ourselves in the long run?

● (1620)

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Madam Speaker, it is indeed a pleasure for me to speak this afternoon on the motion of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds).

I am sure the House is well aware of the responsibilities of the Department of the Secretary of State in strengthening the voluntary sector of society. The department does this through the provision of financial and technical resources. Across Canada there are 25 field offices from which the department's social development officers maintain contact on a regular basis with a wide variety of voluntary and community organizations. Sometimes these officers assist organizations by providing them with information about governmental and other programs. Sometimes it is necessary to assist a group with a grant.

The citizenship sector has several programs designed to assist citizens' groups which are working to promote government policies such as multicultural citizen participation, the status of women, human rights and group understanding, native citizens development, and the improvement of the position of francophone communities across the country. The emphasis in all these programs is on encouraging Canadians to take a more active part in community affairs. The activity and financial support of the department's field staff help to improve the quality of Canadian citizenship.

The Secretary of State (Mr. Faulkner) has spoken on numerous occasions in the last three years on the importance of the voluntary sector and on the significant role that volunteers play in Canadian life. Among other government programs the student community service program, Madam Speaker, was introduced in the summer of 1974, and one of its most important objectives was to encourage more young people to take part as volunteers in all kinds of voluntary organizations. This program has been very successful both from a standpoint of the student participants and the volunteer organizations and we are encouraged that it is making a contribution to the strength of the voluntary sector.

It should be recognized, however, that the voluntary sector faces many problems. They often find it hard to raise funds. Some are finding it increasingly difficult to recruit volunteers. Others find it a great problem to communicate with their members across the country. There is concern for a bilingual capacity among national organizations, and so on.

It was in consideration of these problems and others that the Secretary of State established the National Advisory Council on Voluntary Action a year ago. This council, composed of 15 individuals all with an active background in the voluntary sector, and chaired by Miss Raynelle Andreychuck, an able woman lawyer from Saskatchewan, has been given the mandate of studying the problems in the voluntary sector and making recommendations to the Secretary of State for ways in which the federal government can improve the situation. Hopefully this council will make some important recommendations to enable the federal government to improve the effectiveness of its support to voluntary services.

The Secretary of State has mentioned on several occasions in his speeches the possibility of changing the income tax legislation to give encouragement to volunteer activity. Most recently he mentioned this subject at the annual meeting of the Big Brothers Association of Ottawa and District in April, 1975. This is also a subject about which the Advisory Council on Voluntary Action is concerned. I am confident the council will be considering the kind of proposal made by the hon. member. It is likely in fact that a discussion or working paper on the subject of the tax system and voluntary action would be available by the council within the next year.

A most important recent study by the Canadian Council on Social Development, "Volunteers: The Untapped Potential", has provided a wealth of information about the motives, activities, and problems of volunteers across Canada. The aim of the study as stated in the book is "to test the hypothesis that there are large numbers of people in Canada who are potential volunteers; to explore the characteristics of volunteers and those who are not volunteers; and to inquire in a preliminary way into present administration and organizational practices related to volunteer activity."

One of the points this study makes is that volunteering is no longer the preserve of the upper middle class woman, and that more and more Canadians of different socio-economic backgrounds are getting involved in volunteer work. I should like to record some of the people and ideas which are attached to volunteers in this report—slightly more than half of Canada's people are involved in some type of volunteer work or charitable giving—more men are volunteers than has been believed, some 44.5 per cent—people of all ages are involved, with substantial representation of people under 25 years as well as people over 60—the percentage of volunteers reporting family income of less than

$12,000 per annum was 48.2—a substantial number of volunteers are labourers, skilled workers, and clerical employees—church or synagogue work, work with youth, and fund raising provided the first volunteer experience for most people.

It is interesting to note that this report points out many aspects of volunteering and maintains that in no way do they wish to destroy the volunteer concept. In considering the future of volunteer action in Canada we must ensure that such groups as the young, the elderly, the working poor, the native people, are not prevented from volunteer service because of financial or other problems. To provide deductions to tax payers for volunteer service may not be the most effective means of accomplishing this objective.

Some voluntary organizations have already mentioned to the department the desirability of looking at provisions in the United States tax legislation dealing with support to volunteer groups. Some preliminary study of this subject indicates that these provisions are difficult to administer, and we should be very careful about adding further complications to the tax system in Canada.

Another problem which some organizations have told us about, and it is worth looking at seriously, is that under the present legislation it is not possible for some citizens' groups to obtain charitable organization status because they are essentially self-help organizations. This may be a case of the law—and as a lawyer I can speak here—not keeping up with changing social conditions. Perhaps there should be some form available to those groups by which they can incorporate themselves and obtain charitable organization status. This is one way of helping these organizations.

More and more in recent years we have seen low income groups and other disadvantaged citizens group together to improve their situation. This is a healthy trend. We need to change our traditional concept that charitable organizations are only valid when they are helping other people. So in considering ways to strengthen volunteer activity in Canada we should also be re-examining our notions of what constitutes a charitable organization.

● (1630)

There is no doubt that the volunteer tradition in Canada is very strong. The Canadian Council on Social Development Study has shown that more Canadians are involved in volunteering than had been believed, and that there is an even greater potential for volunteers. The proposal by the hon. member presents one way of strengthening volunteer service, and I am confident it will be very carefully considered by the Department of the Secretary of State and the National Council on Voluntary Action.

[*Translation*]

Mr. Bernard Loiselle (Chambly): Madam Speaker, it is with regret today that I cannot support the motion of the member of the opposition as introduced, however commendable the apparent motive underlying that motion. Actually, the hon. member is asking this House to accept that donations of time be tax deductible. I think that beforehand it would be necessary, as my colleague for Niagara Falls (Mr. Young) did, it would be necessary at least to give some description of what is charity, self-sacrifice. It should also be said how dangerous it can be to want to change the rules of the game when it comes to morality and charity. Finally, it should be said how we might attempt to reach an acceptable compromise and review that concept. But how could we achieve desirable and acceptable results without at the same getting trapped in a bureaucratic maze?

Here are a few examples. We have ski patrollers members of associations like St. John Ambulance who are being taxed on the amounts of money they receive from various ski slopes. Here is another example: Mr. X, of the St. John Ambulance, decides to go and give a weekend in a ski resort, be it Sutton or elsewhere, and that ski resort will give him $40 for his weekend. That $40 represents the equivalent of what he has to pay precisely to be able to offer his services on a voluntary basis. However, the Department of National Revenue considers that amount to be supplementary income. I think that is a clear injustice, and I think if there were changes to be made it should rather be there—accepting as expenses amounts paid by organizations, by people who give some of their time but who have to incur expenses to do so.

If one went further and calculated as tax deductible the amount of time people give, once again that would promote the development of what I call a society outside society. And I think that, perhaps by mistake, the government is unduly inclined to foster the growth of this kind of parallel society that can only be dangerous.

Here is to illustrate: in my riding, there is a program that can have very good results in some cases, and I mean the Local Initiatives Program. Every time one of those programs is used to help in recreational activities, we hear remarks being made. I met with mayors of various small municipalities that were being helped through such programs and they said to me: "Mr. Loiselle, if you could give us $10,000 grants directly instead of those LIP grants of $20,000, it would be much easier to ask for volunteer help which we used to have in the past but not any more since we can afford to pay people for services that once could be provided by volunteers in our community."

People used to help in organizing various activities but now there is too much of a tendency to pay wages. We are too strongly inclined to give people tax benefits, all kinds of hand-outs, so much so that the meaning of charity is changing. Specialists in charity work no longer exist but to take advantage of the system.

Mr. Prud'homme: How true!

Mr. Loiselle (Chambly): So, Madam Speaker, such a measure would only consolidate this dangerous trend in our society, precisely the one we must fight. As my colleague said before, I think the federal government, through the Secretary of State or through the Department of National Health and Welfare, is helping our senior citizens clubs, through the New Horizons program. That is the kind of activities we should encourage, rather than privileging individuals. There is no better service than the one provided by someone doing it out of devotion. I think we are all politicians, and there are all kinds of self-sacrifice. There is the kind we see in election campaigns, for instance. Who will deny that the best election campaigner is the one who is doing it for the first time and who for

once has to defend oneself and fight for a cause. I think this is also true of all charitable activities. We should rather consider other ways of encouraging volunteer work, as I said earlier. I therefore suggest, Madam Speaker, that we wait for the tabling of the review conducted by the Department of Finance on that question, and I am sure that the hon. member opposite will be given the opportunity to resume his attack with the support of his colleague and try to find original programs which will promote voluntary work in Canada.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Madam Speaker, I should like to contribute a few short remarks to this debate. I want to suggest to the House that our society should increasingly resort to volunteer action. I do not feel, contrary to the previous speaker, that self-sacrifice, or volunteering to provide services to a community that needs them should be paid. I can give instances of this and this is what I meant.

First of all, when we consider what is being accomplished on a volunteer basis in many organizations, whether they are hospitals, schools or social institutions, we realize that, more and more, our society must face very difficult problems, although it is supposed to be rich and affluent. I am referring to volunteers working in hospitals.

Formerly there were women's clubs and auxiliaries, people who gave part of their time voluntarily. Nowadays, even if there are still in my constituency people who are very dedicated in such endeavours, we see that people are not as available as before because there is no money available.

The motion before us which proposes the refund of the cost seems to me to go against the principle of asking people to give part of their time. I also know that some people in my riding devote part of their time to go and visit patients at Christmas time, to look after sick children in institutions such as Eastern Ontario's Children's Hospital, to care for elderly or needy people.

All this problem will disappear because these people have no interest in participating in a kind of 'service, expecting a payment in return.

Madam Speaker, as one who has been involved in that type of occupation for years, I wish to say that if voluntary work is to be remunerated, it becomes usury. For me this is not in keeping with the traditional society we are familiar with, not the standards of a society which claims to be charitable and humanitarian.

I am thinking in particular of school commissioners, or of people who give away their leisure time, freely or for very little renumeration. And if we were to judge the worth of a physician, a barrister or an ordinary worker, we may have to think that their work is important while the retribution is not.

In my view this motion is not progressive: indeed it is rather a retrograde step, typically conservative. It would be unfortunate if the act were to be amended in such a way that those voluntary workers would receive a salary or their services would be assessed in terms of financial considerations.

[Mr. Loiselle (Chambly).]

I think that we should encourage people to give more of their time. And they have more time now as the 40 hour work week leaves many people with leisure time and more personal freedom. I think that the problem of society is rather to orient and encourage voluntarism, to encourage people to participate in the activity of their society rather than always think in terms of dollars and cents and retribution. We should increasingly encourage people to participate, to play an active part in society without trying to get something from it, money or some other form of retribution.

Madam Speaker, I only wished to say that voluntarism is important and that we should encourage people to participate as personal involvement is very important. As one hon. member said, I think that Local Initiative Programs particularly may have fashioned voluntarism and created in our society a class of people specialized in so-called social or voluntary organizations, but always looking forward to their $100 or $130 a week. I do not say it is bad but it does twist the reality of things. Finally those people depend on needy social groups. I think it is bad to encourage that kind of groups.

I shall conclude by saying that as policians we should involve more and more Canadians in voluntary endeavours so that society can be valuable. This is why I hope the motion will be defeated.

[*English*]

● (1640)

Mr. Rod Blaker (Lachine-Lakeshore): Madam Speaker, I chose to speak on the topic this afternoon because upon first glance at the motion I found it particularly attractive to think that, as a result of some calculations I did in the House this afternoon, at $3 an hour for every volunteer who worked to elect me in the last election, it would have cost the Government of Canada in tax revenues $150,000 to put me in this House!

I am sure the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) would not want to see that amount of money spent to have me or any other member elected. The hon. member for Burnaby-Richmond-Delta informs me that, under the terms of the Election Expenses Act, charitable donations or consideration of time for volunteers would not be applicable. I am well aware of that. I mention that only because I was somewhat interested in finding some way of compensating those volunteers who work for me at election time.

Other than that I speak on the motion because in my constituency there are in excess of 135 volunteer groups and organizations; everything from service clubs to Alcoholics Anonymous, groups assisting senior citizens, single parent family operations, tel-aid operations, and so on. There is a population of 100,000 in the three cities of Lachine, Dorval, and Pointe Claire.

I would assume that the departmental figures as to the cost of this motion are wrong. Revenue Canada is of the opinion it would cost approximately $100 million to put such a motion into effect and thereby give the volunteers a credit for the amount of voluntary time they give. My own guess is that in one particular area of Canada alone, that is, the constituency I represent, it would cost $100 million simply for the people in that area to volunteer their time

and services. They now number in excess of 5,000 people who, in one way or another, are giving time to their community. In that sense I put to the hon. member that the proposition that these people ought to be allowed to deduct their time is not likely to be very well received in terms of the amount of money it takes to run the government.

I would take up an element that I think other speakers have mentioned, that is, the question of how we can better and more efficiently assist groups of this nature. One of the most common characteristics is that they are constantly in need of good, sound advice as how to identify their problem, whether it be federal, provincial or municipal, and how to incorporate themselves if incorporation is the best procedure under the circumstances. Finally, they need advice on how to seek funds from any particular level of government which may make funds available for that purpose.

As some other members in this House do with respect to the Local Initiatives Program, I try to encourage the citizens in my area to make application to the Department of Manpower and Immigration for these LIP programs in order that they can pursue their volunteer activities with what I might call some seed money. In my area this year we put in something in the area of a quarter million dollars, a great deal of which has gone to projects the nature of which are of a mixed full-time and volunteer character. They are considered by the applicants and by myself to be essential to the well-being of the community.

I suggest to the hon. member that the problem is not so much a need for tax deductibility to attract volunteers. Rather, there is a much greater need to provide the kind of professional assistance to these people which would better enable them to identify the problems they are attempting to resolve and to obtain assistance from various levels of government in order to resolve them.

The proposition that these individuals should have their time deducted from their income tax would in some cases, such as associations for the benefit of retarded children, inevitably lead to a lessening of the amount of financial contributions made to such groups and associations and to an increase in the number of people who would prefer to volunteer time. I suggest that associations which seek to support those involved in the care, education, and concern for retarded children will not be significantly improved nor be able to increase significantly the type and quality of their production and assistance to such children by having an income tax deduction for voluntary time. Their problem is to seek and obtain more money because of the type of services they render.

The administrative problems of such a proposal have been noted in prior debate to be horrendous. I would draw an example or two to the attention of hon. members. Such a proposal would create some horrendous administrative problems, most of which relate to valuation of time. Two people volunteer to drive a car for the Red Cross. One is a doctor whose time is billed at $150 an hour, and the second is a housewife who does not earn. A driver who was paid would receive $2 an hour. Should our volunteer driver receive a receipt for $150, $2, or nothing? If we say that the value is $2, obviously the doctor will not volunteer his services at all.

In addition, the charity would have the problem of determining for each and every volunteer chore what is the fair market value of the services rendered. The problem of recognizing service donations for tax purposes was acknowledged by all four parties in the House in respect of political contributions. All parties have agreed to the amendment to the political contributions provisions contained in Bill C-65 which will forbid a credit for services rendered to candidates or political parties.

● (1650)

I referred earlier with some amusement to the possibility of considering people who work in elections as volunteers. I would remind the hon. member for Burnaby-Richmond-Delta that he is among those who have agreed not to permit such activities at the political level. In view of the district that I represent and the incredibly large amount of volunteering services that continues to be provided in that area, I suggest to the hon. member that this motion is not the way to resolve the problem. Rather we should look to what one of the previous speakers said, the parliamentary secretary, who indicated that the Department of the Secretary of State would be taking a very close look at more efficient and sophisticated methods of helping volunteer groups.

I would re-emphasize that the most important characteristic that we can provide them is not a tax deduction for the services of their volunteer group, but rather direct assistance to them in getting set up and in understanding how to work their way through the three levels of government, so as to be able properly to address themselves to the task for which they are created and to obtain direct funding, not on an individual basis but on a group basis, to resolve the problem at hand.

The Acting Speaker (Mrs. Morin): The hon. member for Kitchener.

Some hon. Members: Hear, hear!

Mr. Joe Flynn (Kitchener): Madam Speaker, I want to thank the happy side very much for the recognition that they are affording me this afternoon, especially in the closing minutes of such an important debate. I am very happy to make a contribution to this well-merited suggestion that the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) has given us to consider. He has added a few additional thoughts to what he has put on paper, and has asked us to consider what the income tax department might do in the way of providing volunteer workers with a receipt instead of their actually receiving payment.

Many volunteers have been mentioned, but a few groups have been missed. For example, there are the volunteer mothers who are assisting the teaching profession by helping their children spend a little more time in an environment other than the school, under the visible eye of the tender loving care that only mothers can give their children. They are doing a very commendable job and I am sure their husbands, who are making a valid contribution to the economy, would appreciate a receipt for their donating their services.

Then there are the many volunteers in our minor hockey associations who get up at four, five, and six in the morn-

ing, returning home at night at nine, ten, or 11 because we do not have sufficient rink ice time in this great winter country for our children. They drive our children, teach them and advise them, and they are spending time with the very people with whom they want to spend our time, our children. More time should be spent in that way. These volunteers would also love to have a receipt acknowledging their contribution for income tax purposes.

Then there are the coaches who volunteer their services for minor sports activities; we place a great deal of confidence in them. Then there are mothers who spend hours and hours cooking for special occasions, such as visiting teams that have to be fed and housed. Many people do this work for absolutely no consideration at all. I think it would be worth while to provide them with a receipt too.

Then there are the volunteers in our hospitals. How many hours do they spend as hospital auxiliaries supplying voluntary nursing care that patients cannot always afford for themselves? Meals on wheels are also a great contribution to our society, calling for the skill of many people who not only drive canteens but do the cooking and prepare the small utility meals that are so nutritional in value. They provide a service to people who otherwise could not afford such comforts. Again a receipt for tax purposes would be a very commendable gesture.

This week I had the experience of putting my mother into a nursing home, where I watched volunteers at work. They spend many hours supplying the teaching skills needed for embroidery, knitting, writing and reading. They spend hours making sure that sick people are happy people. I commend them to our country for the contribution they make.

Some hon. Members: Hear, hear!

Mr. Flynn: Let me tell the House that to record in an analytical and statistical way the services that these people perform would be an erroneous and time consuming task that would be endless. It would create unnecessary work, even more LIP projects that we do not need. We would have to supply volunteer service to look after the volunteers.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

Mr. Flynn: Thank you very much.

The Acting Speaker (Mrs. Morin): Order. It being five o'clock the hour for the consideration of private members' business has now expired.

Mr. Blais: Madam Speaker, I would simply like to thank all the "volunteers" who contributed this afternoon.

The Acting Speaker (Mrs. Morin): It being five o'clock this House stands adjourned until Monday next at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 24, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTION UNITED NATIONS BE INFORMED CANADA RESERVES RIGHT TO REFUSE ENTRY TO ANY PLO DELEGATE TO HUMAN SETTLEMENTS CONFERENCE—MOTION UNDER S.O. 43

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of pressing and urgent necessity. In light of the statements by Shahik Al-Hout warning that the PLO would seek to turn world-wide pressure on Canada if Canada rejected any member of the PLO delegation to the conference on human settlements next year, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House instruct the minister responsible to inform the UN Secretary General of the conference that while Canada is committed to accepting a delegation from the PLO to the conference on human settlements, we reserve the right as a sovereign state to reject any individual who violates our immigration laws and regulations.

Mr. Speaker: Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

PROPOSED COMMITTEE STUDY OF ENERGY RESERVES AND FORECASTS—MOTION UNDER S.O. 43

Mr. James Gillies (Don Valley): Mr. Speaker, I rise under the provisions of Standing Order 43 to present a motion dealing with a matter of pressing and urgent necessity.

The National Energy Board report on oil, tabled in this House at the end of last week, provided new evidence of the unpleasant and even frightening fact that government officials in the NEB and elsewhere have consistently and dramatically over-estimated the depth of this country's energy reserves. This faulty estimating has lead to a series of policy errors on the part of the government. Since we in this House have no evidence to suggest the government has taken any corrective action in this area, and thus, since we can have little or no faith in current government estimates of energy reserves in this country, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Standing Committee on National Resources and Public Works be authorized to inquire immediately into the reasons behind the government's consistent mis-estimating of Canada's energy reserves and to recommend corrective action to ensure that future energy forecasts are based on more sound and reliable data.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED RE-ESTABLISHMENT OF FLUID MILK SUBSIDY—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion of urgent and pressing necessity.

Since the government feels that there is a surplus of industrial milk and that the surplus of fluid milk is sent to processing industries, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House urge the government to restore the fluid milk subsidy, to increase its consumption and decrease the volume of industrial milk.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

SOCIAL SECURITY

REQUEST FAMILY ALLOWANCE CHEQUES BE DISTRIBUTED WITHIN THREE DAYS—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, under the provisions of Standing Order 43, I request unanimous consent of the House to present a motion dealing with an important and urgent matter.

Considering that the Quebec Minister of Social Affairs has offered the federal government to distribute family allowance cheques before December 5 through its distribution system so that low income families and people on welfare, who are waiting for these cheques, may be able to buy food and other essentials, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That family allowances cheques be distributed within the next three days, either by letter carriers, if they want to, or as suggested by the Quebec government.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

NATIONAL PARKS

SUGGESTED DELAY IN EXPANSION OF ST. LAWRENCE ISLANDS PARK PENDING MEETING WITH LOCAL RESIDENTS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity to my constituency concerning the government's proposed $30 million expansion of the St. Lawrence Islands National Park, and particularly arising out of the inconclusive and unsatisfactory meeting held last Thursday between about 500 of my constituents and officials of Parks Canada in what could rapidly become, if not speedily dealt with, another Pickering fiasco. I would move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Indian Affairs and Northern Development accept the invitation that has been extended to him to personally attend with any necessary department officials a public meeting to be open to hundreds of property owners in Leeds who feel that their homes and businesses are threatened by the government's present plans for enlarging the St. Lawrence Islands National Park, that the government be prepared to answer clearly and forthrightly all questions proposed at such a meeting and finally that the people of the area be permitted the democratic right of expressing their views and obtaining answers on this matter before the government proceeds any further whatsoever with its plans.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Lavoie.]

AIR CANADA

SUGGESTED AID TO FIVE EMPLOYEES IN DEALING WITH CRIMINAL CHARGES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity relating to Air Canada and the position of some of its employees here and in the United States. I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Transport look into the situation with regard to the five Air Canada employees in New York City who state that the management of the company has not given them any moral of financial support in their successful efforts to acquit themselves of serious criminal charges of gold theft laid in an apparently hasty way while the employees were at work and that the minister look into and review as well the job security status of those Air Canada employees whose long tenure of service may be jeopardized unfairly by any staff re-alignment policies of the company, if they are not implemented with great care, and report to this House or the standing committee on an appropriate occasion.

Mr. Speaker: Pursuant to Standing Order 43 the motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON RESUMPTION OF NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the right hon. Prime Minister. Last Friday it was indicated on behalf of the government that if the postal union were to accept the fact that the monetary offer by the government was all that was going to be offered, then serious and successful negotiations could take place. I should like to ask the Prime Minister whether the government has been advised that the union accepts the fact that the total monetary package offered by the government in connection with the postal strike cannot go beyond the government's final offer, although there might be some readjustment of the offer, and, if so, are serious negotiations about to resume today?

Right Hon. P. E. Trudeau (Prime Minister): I would have to ask the Postmaster General to answer that question. To my knowledge the union has been advised. It has been stated publicly by the Postmaster General and by myself, and that should be advice enough. But I am sure the Postmaster General has made that advice clear in his private discussions, too.

Mr. Stanfield: I recognize that the information has no doubt been given to the union. My question relates to

whether or not the union has accepted that there is no way in which the government's financial offer will be increased. I should like to ask the Prime Minister whether he has been advised of any significant change of events that would lead to negotiations being resumed in the very near future.

Mr. Trudeau: I must say that I have not been advised by the union that they accepted the government's position, and that is presumably why the strike is going on. I do know that there have been some officious meetings with the representatives of the Post Office and of the union. I do not know to what extent they are publicly known and I would hesitate to say any more at this time.

STRIKE OF INSIDE WORKERS—REASON FOR GOVERNMENT'S REFUSAL TO INTRODUCE BACK TO WORK LEGISLATION

Hon. Robert L. Stanfield (Leader of the Opposition): I assume the Prime Minister is using the word "officious" in the sense of the French language, as distinguished from official. I would like to ask the Prime Minister the following question. In view of the extent to which the government has already limited the scope of collective bargaining under the government's guidelines laying down the increases in wages which are permissible, how does the government justify its continued refusal to intervene to protect the public interest and what is the government's real reason for not asking parliament to restore this essential service?

Right Hon. P. E. Trudeau (Prime Minister): I answered these very same questions at the end of last week. My answers are the same.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the fact that the government has called upon parliament for legislation to end strikes three times in the past two years, and in view of the fact that the stoppages in two of these instances, namely, the dock strike at the west coast and the strike at the St. Lawrence ports, were of a much shorter duration than the present 36 days of the postal shutdown, will the Prime Minister now clarify the government's reasons for refusing to introduce back to work legislation so that mail service can be restored while negotiation or mediation is carried on?

Mr. Speaker: In respect of answers which have been given on previous days to that particular question, of course the situation changes each day, and therefore a fresh question is always permissible, even though the same question had been asked 24 hours earlier, which is special in circumstances of this sort. However, it would be a flagrant abuse of the rules to allow the repetition of a question by two consecutive members on the same day, a question which has been answered by the Prime Minister and which is precisely the one the hon. member for Vancouver Quadra seeks to put.

Oral Questions

THE CANADIAN ECONOMY

ANTI-INFLATION GUIDELINES—REQUEST FOR CLARIFICATION OF STATEMENTS CONCERNING APPLICABILITY OF GUIDELINES TO OIL COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister arising from answers given by the Minister of Finance and the Minister of Energy, Mines and Resources on Friday. The Minister of Finance said in the House in reply to a question about the price of oil and the guidelines, and I quote: "they do apply to petroleum companies as they do to anyone else, but not to the OPEC countries", he said with insight. However, the Minister of Energy, Mines and Resources said in reply to a question by the hon. member for Nanaimo-Cowichan-The Islands that indeed the white paper makes it clear that the oil industry is in a separate category from those covered by the white paper. I wonder if the Prime Minister would clarify this apparent contradiction between the two ministers' statements.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize, I have not had time to review *Hansard* for Friday, but I think I can explain what puzzles the hon. member. In so far as the price of crude is concerned, obviously the guidelines do not apply because it is set by federal-provincial agreement. It was set for a period of 15 months, I believe, until July 1 next, and the federal and provincial governments plan to get together in the first half of next year to try to arrive at another agreed price for petroleum. In that sense, the guidelines do not apply. The price is set administratively by arrangement.

In another sense, the guidelines do apply, and in that sense the companies will not be able to increase their prices by more than the increase in their costs. That is the general rule of the guidelines, and it will apply to them. In this case the cost of the raw material will be fixed administratively, as I have just indicated. The labour costs will be fixed by bargaining under the rules. There may be other costs, such as executive salaries, and so on. All these various costs will fall under the guidelines, and the pass through rule will apply.

Mr. Broadbent: In view of the fact that the principal reason for price increases in oil in the last few years has been the increase in the wellhead price, which the Prime Minister just said has been settled in the past by negotiations with the provinces, and since, however, the government in its white paper sets out that in terms of its policy it will permit, through a staging process, the wellhead price to rise to world price levels, has the government not stated its position, in terms of its ultimate effect on the consumer price, that it has decided not to keep the price of oil down in Canada?

Mr. Trudeau: The reason the price at the wellhead has been allowed to rise—although considerably less than world prices—is due, first of all, to the decision of the OPEC nations to increase the world price of oil. This put pressure on the NDP and Conservative governments in particular provinces in the west to seek a higher price, preferably world prices, if they could. We resisted the NDP and Tory governments as much as we could and obtained a compromise, which we think is much better for Canadian

people than had we gone to world prices. I must admit that the NDP and Tory governments in the provinces of Saskatchewan and Alberta were willing to go along with this in the public interest. We were not able to keep the prices as low as perhaps we would have liked, at least in the first stage, but we think that through their co-operation we have finally arrived at a price which is good for the Canadian people. It does cost the consumer a bit more, but I hope the hon. member will realize that those natural resources were under the constitutional jurisdiction of the NDP government in Saskatchewan and the Tory government in Alberta, and we struck what we thought was the best possible compromise.

● (1420)

ANTI-INFLATION PROGRAM—SUGGESTION OIL PRICE INCREASES BE CONDITIONAL UPON MONEY BEING DEVOTED TO EXPLORATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I know the Prime Minister would not want to distort the position of the government of Saskatchewan, at least intentionally. Since it is Premier Blakeney's view, both in the past and at present, that no increase should be permitted in the wellhead price of oil unless the future gains from that increase are used for further development—and he attached and always has attached that kind of position to the increase in price—and since at least one of the premiers directly involved has expressed that view, I should like to ask the Prime Minister why the federal government, in its anti-inflation program, does not attach that as a condition of all future price increases and make it mandatory if oil companies are going to get an increase that all such money be devoted to future exploration?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question has been dealt with by the previous minister of energy, mines and resources at federal-provincial conferences and in this House. We examined Premier Blakeney's position, which I repeat was one of wanting a considerably higher price for the oil sold—

Mr. Broadbent: For exploration.

Mr. Trudeau: —out of Saskatchewan. He had some scheme to put it in a special fund, I believe, in order that it serve the energy needs of the people of Canada. The Minister of Energy, Mines and Resources has given some very specific figures indicating the use to which any increment or windfall that had accrued to the federal government through the increased price, was indeed serving the energy needs of the people of Canada. To mention only one figure, $1½ billion was budgeted for the equalization of the price of oil in the eastern part of Canada with the western part of Canada, and a large part of that indeed comes from the fact that we have been able to draw some benefit for the Canadian taxpayer from the export tax on oil products.

[Mr. Trudeau.]

[*Translation*]

AGRICULTURE

CHEESE IMPORTS—GOVERNMENT EFFORTS TO REDUCE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, upon the Minister of Agriculture's return from the World Food Conference in Rome where he must have learned new ways of administering his department, I should like to ask him the following question. Several times I raised the matter of social prejudice suffered by the Canadian dairy industry due to massive imports of cheese. As it seems that total cheese imports for this year reach more than 50 million pounds despite agreements concluded with producers within the overall quota system, can the minister tell the House whether he is prepared to review his position very soon in that regard and what steps he plans to take?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are living within the agreement on production that we announced last April. We have told the producers the amount to produce and they agreed to what we suggested. They are concerned about the importation of speciality cheese from abroad, but there will not be more than 50 million pounds brought into Canada.

[*Translation*]

INDUSTRIAL MILK—EFFORTS TO DISPOSE OF SURPLUS IN THIRD WORLD

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a supplementary question. Given the overproduction of industrial milk in Canada, is the minister prepared to accept our proposal and send our milk surplus to Third World countries, which badly need it, in order to help them on one hand and, on the other hand, to dispose of our surplus and sustain our milk industry?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the main surplus product we have in Canada at the present time is skim milk powder. There is a world surplus of skim milk powder—in Europe, New Zealand and all the countries producing it at the present time. We have ample supplies and are trying to find placement for areas of need but it is most difficult.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I have a final supplementary for the right hon. Prime Minister.

So as to be able to take fast and efficient steps to resolve this problem of industrial milk and other agricultural product surpluses, could the right hon. Prime Minister say whether he is prepared to undertake to entrust the Department of Agriculture with the responsibility for importing and exporting dairy products and all other agricultural products?

Mr. Trudeau: Mr. Speaker, the hon. member is asking a question regarding the internal organization of the government. Of course, I respect the hon. member's views, but I assure him that I organize the ministerial council in such a way as to get the maximum output.

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—POSSIBILITY OF ADOPTING SOME METHOD OF CLEARING MAIL IN OFFICES

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Postmaster General. In view of the grave injustice being done to hundreds of thousands of Canadians who have money, important merchandise, business contracts, prepaid Christmas mail orders, including Christmas presents for children which cannot be replaced due to insufficient family cash, and other vital mail tied up as a result of the postal strike, may I ask if the Postmaster General can use any mechanism whereby that mail can be released for delivery in the near future, and clear the post office system?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the obvious answer is for the union to come to their senses and bring an end to the strike. In the absence of that, I might mention that 165 post offices are open. The hon. member might relate to me his particular difficulty, as I understand that most Alberta postal office employees are now back at work.

Mr. Towers: A supplementary question, Mr. Speaker. This being a national problem, and the bulk of the mail being tied up in large centres like Toronto and Winnipeg, I do not think action in specific cases will clear the system. I wonder if the minister can do something to clear the system once and for all, so that people can either get their orders filled or money back.

Mr. Mackasey: Mr. Speaker, as we approach Christmas I sum up by saying I would rather be Santa Claus than Scrooge.

* * *

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF SKY SHOPS—RELATIONSHIP OF DOCUMENTS SEIZED FROM SENATOR GIGUÈRE TO MIRABEL

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Solicitor General. Since it has become public knowledge that among documents and effects taken by the RCMP from the apartment adjacent to Senator Giguère's were ledger cards of engineers and architects, can the Solicitor General tell the House whether the engineers and architects involved or any of the documentation taken have any connection with the Mirabel project?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we do not report the details of police investigations while those investigations are still under way.

INVESTIGATION OF SKY SHOPS—POSSIBLE LENGTH OF INVESTIGATION—REQUEST FOR TABLING OF SEARCH WARRANT AND INVENTORY OF DOCUMENTS SEIZED

Mr. Elmer M. MacKay (Central Nova): A supplementary question, Mr. Speaker. Can the Solicitor General give the House and country any indication of the apparent length of time it will take the RCMP to complete those investigations? Are we talking of days, weeks or months? Also, will the minister table the search warrant and documents detailing the inventory of what was taken, since these documents have already been put on display on national television?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I checked with the RCMP and they cannot say definitely when this investigation will be completed. New evidence leads to new sources of inquiry, and so on. It is impossible to give the date—

Mr. MacKay: Does the minister mean a judicial inquiry?

Mr. Allmand: No, Mr. Speaker. The police investigation is proceeding quite well, but we do not discuss details of police inquiries in the House of Commons. If I may answer the second part of the hon. member's question, I will look into the matter, see if the documents can be tabled and report to the House.

INVESTIGATION OF SKY SHOPS—SCOPE OF INVESTIGATION

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a supplementary question to the Solicitor General. I appreciate that details of police investigations are not released, although the subject matter is often discussed in the House. As a search warrant is only issued after it is sworn that there are reasonable and probable grounds for the belief that an offence has been committed, and as the search warrant under which the police acted in seizing documents from Senator Giguère's office and residence included "all letters, notes, memoranda and other writings relating to the collection of moneys for the Liberal party of Canada" between certain relevant dates, can the Solicitor General say if the subject matter of the police investigation in this instance is whether all or part of the $95,000 went to the coffers of the treasury of the Liberal party?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I must check that, as well. I saw the information which was sworn in order to obtain that search warrant and I talked to the RCMP about it. They tell me that the investigation is of a broader nature than one merely involving Sky Shops.

* * *

● (1430)

PUBLIC WORKS

LES TERRASSES DE LA CHAUDIÈRE, HULL—ROLE OF SENATOR GIGUÈRE IN NEGOTIATIONS FOR PROJECT

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is to the Minister of Public Works. In view of the fact that until recently Senator Giguère was a director of the Campeau Corporation, the company building the $160 million Les Terrasses de la Chaudière in Hull, Quebec, a multi-million urban commercial complex, of which 1.7 million square feet of office space is to be rented by the federal government, has that senator played any role whatsoever

in the official or non-official negotiations pertaining to that project?

Hon. C. M. Drury (Minister of Public Works): Yes, Mr. Speaker, I can state definitively. The answer is no.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF SKY SHOPS—REQUEST FOR TABLING OF POLICE REPORT UPON COMPLETION OF INVESTIGATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Solicitor General has already said that he does not discuss details of police reports while an investigation is taking place. I have also heard him say that he does not table reports after an investigation is completed. Will the minister give us any assurance that when these investigations are completed, the police reports will be tabled in the House?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, I will not. The reason we do not table police reports in many cases is that if a police investigation proves to be negative, it would be completely contrary to the civil rights of the individuals involved to publish the details of the investigation for every one to see. Very often allegations are made against many individuals and it is the responsibility of the police to investigate those allegations. In a great number of cases, the allegations are found to be false. If that is the case, I do not think it is right to publish them in the House of Commons.

INVESTIGATION OF SKY SHOPS—REQUEST FOR PUBLIC INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): I expected that, Mr. Speaker. I knew that was what the Solicitor General would say. Therefore, I have to ask the members of the government why they keep hiding behind the fact that a police investigation is being made into something that very closely touches the government, parliament and this country. Does the Prime Minister not think it is now time for a public investigation into the whole affair relating to Senator Giguère and alleged conflicts of interest? In view of reports of police raids, search warrants and evidence of substantial sums being paid, a *prima facie* indication of a substantial conflict of interest, will the Prime Minister set the minds of the Canadian public at ease and order a public inquiry at this time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I had occasion earlier to remind the House that Senator Giguère offered to testify in front of a committee of the Senate, a committee of his peers, to answer to any aspect that might worry them. I understand from the Solicitor General that the police investigation is proceeding as it should. A great deal of documents have been seized from the Senator. The police investigation is proceeding. If the tables were turned and had we seized under warrant the documents of some Tory member of parliament, we would hear screams about the intervening of the police into the affairs of a member of parliament. I would not, as might the Leader of the Opposition, be inclined to put into public inquiry areas which are being thoroughly investigated by the police until there is some evidence that the police cannot carry out their role because of some difficulty of which I know nothing at this time.

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EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTORS—REQUEST FOR TABLING OF ANY AGREEMENT REACHED ON SAFEGUARDS BY SUPPLIERS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Has Canada entered into an agreement with other nations which produce or can produce nuclear reactors for a new set of safeguards against the diversion into weapon material by purchasers, and will the minister at the first opportunity table in the House any such agreement?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, there have been discussions among the nuclear suppliers to arrive at upgraded standards. I have not had an up-to-date report on whether a final agreement has been reached, but when such has happened, I will certainly consider making its contents known to the House.

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—DATE OF COMPLETION OF SALE AND TABLING OF AGREEMENT

Mr. Andrew Brewin (Greenwood): Will the minister advise whether the agreement with South Korea for the sale of a nuclear reactor, which sale the minister stated in the House several weeks ago was nearly completed, has been completed and how soon that agreement can be tabled in the House, as the minister agreed it should be?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the agreement has not been signed with South Korea. The authorizing order-in-council will be sought at an early date with a view to signing such an agreement. When an agreement is signed, I will certainly make every effort to have its contents available to members of the House. I certainly will table the agreement.

* * *

ENERGY

PROPOSED PUBLIC INQUIRY INTO USE OF NUCLEAR ENERGY IN CANADA—GOVERNMENT POSITION

Mr. Don Gillies (Don Valley): In the absence of the Minister of Energy, Mines and Resources, Mr. Speaker, I will direct my question to his parliamentary secretary. Considering the latest request from the Coalition for Nuclear Responsibility, can the parliamentary secretary tell the House whether the government is planning to launch a public inquiry into the use of nuclear energy in Canada? As the parliamentary secretary probably knows, this weekend this important group called for a re-examination of the use of nuclear energy in Canada, its effect on

the environment and so forth. Is the government planning to soon have an inquiry into the impact of nuclear energy use in Canada?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I can say that no decision has been made on this. As the hon. member will know, there is already a public inquiry in the province of Ontario into all other methods of producing electricity. I will take note of the hon. member's suggestion and report back to him.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST THAT FAMILY ALLOWANCE CHEQUES BE DISTRIBUTED AS SOON AS POSSIBLE

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

Considering that the Quebec government has offered the federal government to distribute family allowance cheques, so that people in the low income bracket may use this money they have been waiting for since November 20, could the minister advise the House whether he intends to contact the proper authorities and expedite the distribution of the family allowance cheques which these people need to feed themselves?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the most effective and rapid distribution method remains that proposed by the Minister of Supply and Services. In the case of those who are in need and who immediately require the family allowance equivalent, may I remind the hon. member that the emergency services provided for under the Canada Assistance Plan are available. Every province may take advantage of them to advance all needy families the money they need, and the federal government will share equally in the cost of these advances made to needy families. This is already available, and the provinces have all been encouraged to make use of the emergency services provided under the Canada Assistance Plan.

Mr. Lavoie: Mr. Speaker, I want to ask a supplementary question.

Could the minister tell the House then whether he intends to advise his counterparts in Quebec of what he has just told us? They do not seem to be aware of this opportunity since they do not use it?

Mr. Lalonde: Mr. Speaker, I must tell the hon. member that for several days now we have been in contact with every one of the provinces—including Quebec—on this subject.

[*English*]

IMMIGRATION

SUGGESTION CANADA RESERVE RIGHT TO REFUSE PERMISSION TO PLO DELEGATES TO ATTEND HUMAN SETTLEMENTS CONFERENCE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is to the Minister of Manpower and Immigration. In view of the threats by Shahik Al-Hout that world-wide pressure will be applied to Canada if we refuse permission to any member of the PLO to attend the Human Settlements Conference next year, will the minister publicly reject this attempt at blackmail by a person who is in this country on a ministerial permit and assure Canadians that the government will exercise her sovereign right to reject admittance to the conference of any person who violates her immigration laws or regulations?

● (1440)

Hon. Robert K. Andras (Minister of Manpower and Immigration): The policy has been clearly stated. It is that members of prohibited organizations will only be allowed in by ministerial permit and then only if it is established that they are not, individually, terrorists or members of terrorist sub-groups. If they were in those categories, permission to enter would be denied.

Miss MacDonald: A supplementary to the Minister of State for Urban Affairs. In the light of the statement by the Minister of Manpower and Immigration and of recent statements by Shahik Al-Hout, would the minister advise the United Nations Secretary General that Canada will not submit to threats such as we have heard in the past week by any delegation which is using the conference as a propaganda forum for its own political ends?

Hon. Barney Danson (Minister of State for Urban Affairs): Unfortunately, I did not hear either the original question or the answer given by my colleague. Thus, it is difficult for me to deal with the supplementary. I was rather busy building houses here.

Some hon. Members: Oh, oh!

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF SKY SHOPS—INQUIRY WHETHER SEARCH WARRANT ISSUED TO SEARCH PREMISES OF LIBERAL PARTY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the Solicitor General. With reference to the search warrant with respect to the residence of Senator Giguère, I should like to ask the minister whether at the same time a warrant was issued to search the premises of the Liberal Party of Canada? Was a request made by the RCMP to do this and, if not, why not?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we do not give out details of police investigations in the House of Commons.

Oral Questions

INCOME TAX

APPLICABILITY OF ACT TO PROVINCIAL CROWN CORPORATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of National Revenue. It has to do with the plan of the Government of Saskatchewan to nationalize the potash industry in that province. In the event such nationalization takes place the loss to the federal treasury in company taxes would be very heavy. I ask the minister whether or not, having regard to the developments which are taking place along this line, not only in Saskatchewan but elsewhere, the government will bring in legislation to provide that a corporation set up by a provincial government in the course of nationalizing an industry within a province will still be liable for income tax?

Hon. Jack Cullen (Minister of National Revenue): I do not think we need new legislation. I believe the Minister of Finance has indicated that such a corporation would be liable to taxation.

Mr. Diefenbaker: To make it perfectly clear, if this potash industry is nationalized, can the minister say directly that the company set up by the government, the government agency, will be liable for income tax? If so, I would think there would be general approbation.

Mr. Speaker: Order. I do not like to interfere with a line of questioning but the right hon. gentleman is asking, first of all, whether something might happen after a certain event has taken place, and that is somewhat hypothetical. Moreover, he is asking the minister for a legal opinion here in the House. Perhaps the question might be rephrased. If the minister wishes to answer, I do not want to obstruct the right hon. member; it is a point which I am sure is very interesting to all members. As it is, the right hon. gentleman is asking the minister to give a legal opinion and, moreover, to presuppose the existence of certain circumstances which do not exist now and are therefore hypothetical.

Mr. Diefenbaker: Mr. Speaker, there is nothing hypothetical about that question. It is being carried out and I am asking whether or not the Canadian people as a whole are to be denied the company income tax. It is as simple as that. It does not ask for a legal opinion in any way, with great deference to Your Honour.

Mr. Cullen: If the Department of Finance tells us to collect the tax we shall collect the tax.

* * *

OLYMPIC GAMES

POSSIBILITY OF FEDERAL GOVERNMENT ASSUMING RESPONSIBILITY FOR DEFICIT OR ALTERNATIVELY ASSUMING RESPONSIBILITY FOR OTHER PROJECTS IN QUEBEC

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is addressed to the Prime Minister. Bearing in mind the right hon. gentleman's statements that the government does not intend to pick up any part of the Olympic deficit, could the House be told whether the government has been approached formally or informally, directly or indirectly, by the Government of Quebec, the City of Montreal or by COJO itself with a view to the federal government taking up part of the deficit, and, if so, who made the approach?

Right Hon. P. E. Trudeau (Prime Minister): The answer to all those questions is no.

Mr. Stevens: Would the Prime Minister indicate whether any consideration has been given to financing, within the City of Montreal or within the Province of Quebec, certain developments which, if not financed by the federal government, would ordinarily be financed by the province, on the understanding that if the Province of Quebec takes up the deficit incurred by the Olympics the federal government would share in the financing of those other projects?

Mr. Trudeau: I do not know what the hon. member has in mind, if he has anything in mind, which I doubt. I wish he would be more explicit.

Some hon. Members: Oh, oh!

Mr. Trudeau: When I used the words earlier, "directly or indirectly" I took it they would cover that question.

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AIR CANADA

LACK OF SUPPORT FOR FIVE EMPLOYEES CHARGED WITH CRIMINAL OFFENCE—BONDING OF EMPLOYEES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Transport. Does the minister intend to look into the situation with regard to the five Air Canada employees in New York City who state that the management of the company has not given them any moral or financial support in their successful efforts to acquit themselves of serious criminal charges of gold theft laid, apparently, in an improper way while the employees were at work?

Hon. Otto E. Lang (Minister of Transport): I have a report on that situation and I am informed that while the corporation feels it improper to accept responsibility for legal fees—as is the case with almost any other employer—the employees in question were reinstated and with no loss of pay.

Mr. McKenzie: Could the minister investigate to see whether these employees are properly bonded?

Mr. Lang: I will look into that.

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EXTERNAL AFFAIRS

DETENTION OF MRS. PSARSKI IN POLAND—REQUEST FOR REPORT ON EFFORTS TO OBTAIN RELEASE

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Secretary of State for External Affairs regarding

Mrs. Joanna Psarski of Georgetown, Ontario, who came to Canada a few years ago as a landed immigrant, along with her husband, and who returned to Poland for a visit on the death of her father and is now being kept in that country. I should like to commend the minister for his attempts to intercede with the Polish government with a view to getting permission for her return, and wonder whether he could bring the House up to date on the present situation as far as Mrs. Psarski's possible return to Canada is concerned.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker, I cannot bring the House up to date today but I shall attempt to do so later this week.

Mr. Cossitt: Might I address a supplementary to the Prime Minister? If it turns out that Mrs. Psarski is still unable to leave Poland with the permission of the Polish government, will the right hon. gentleman consider facilitating the passage of a unanimous resolution by the House asking the Polish government for its co-operation on humanitarian grounds to allow her to return to her husband in Georgetown?

Right Hon. P. E. Trudeau (Prime Minister): It is a fact that in many instances the government of Canada has intervened with heads of state on humanitarian grounds, so the principle of such action is not foreign to us. However, in any particular case I would submit to the judgment of the Secretary of State for External Affairs.

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ENERGY

TAR SANDS—POSSIBILITY OF NEW MEASURES TO ENCOURAGE DEVELOPMENT—PERMISSION TO SELL PRODUCT AT WORLD PRICE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I wish to address a question to the Prime Minister. In view of the desirability of Canada being self-sufficient in energy supplies in the foreseeable future, and since the National Energy Board now projects only a six-year supply for this country, can the right hon. gentleman tell us whether the government is contemplating any new initiative by way of tax incentives to encourage further exploration or more speedy development of the tar sands in order to ensure sufficiency of supply?

Right Hon. P. E. Trudeau (Prime Minister): I would have to make a complete statement of our energy policy in order to answer that question in any satisfactory way, and I do not think this is the time to do so.

Mr. Yewchuk: With regard to ensuring quicker development of the Athabasca tar sands, is the government willing to give certain assurances to potential developers there that all their products will be allowed to be marketed and, second, that they can reasonably expect to receive the international price for it?

Mr. Trudeau: Here again, the question is general in its nature. However, if it related to any specific request I would have to examine the particular circumstances. On the international price, I believe this has been made part of our policy statement in that we would allow the price for such petroleum to reach or to tend toward the international price. I believe the expression "international price" was used, but I am not sure. I am sure a statement has been made in this regard, but perhaps I could take note of the question so the minister will be able to answer when he is back in the House.

* * *

● (1450)

[*Translation*]

CONSUMER AFFAIRS

GOVERNMENT MEASURES TO DEAL WITH INCREASED COST OF COFFEE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs.

Over the weekend, a consummer association advised me that the price of coffee has shot up exorbitantly. Today, over the radio, the same news was confirmed and the government was blamed for not stepping in. May I ask the Minister of Consumer and Corporate Affairs whether it falls within his jurisdiction to check into the matter and ascertain whether prices have increased inordinately, and what position he intends to take to protect the consumers with regard to the price of coffee?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is unfortunate that the price of coffee should have gone up so much. The hon. member should know that the product is imported and that we have very little control over the international price which is unfortunately very high indeed. The price has been going up for several months now. Still, I cannot resist the temptation of telling the hon. member, who comes from a rural area, that he should perhaps encourage the people to drink less coffee and more milk.

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary. I take notice of the suggestion of the Minister of Consumer and Corporate Affairs and I shall stress my procedure to meet his wish. However, I would like to ask him very seriously whether the board established under Bill C-73 will have some say in the control over the prices of these imported goods or whether they can be left absolutely free so that those who sell these products will be able to increase their prices immoderately?

Mr. Ouellet: No, Mr. Speaker, for all the other food products sold in stores employing more than 500 people, these stores will have to comply with the government guidelines. It means that these stores will not be allowed to increase the prices by more than the rise in production costs. Where it is not possible to establish these costs the stores will have to set a price level which is not higher than 95 per cent of the average profits these stores made over the five previous years. This procedure is extremely rigorous, Mr. Speaker, and this leads me to say that I am not at all surprised to see some food chains announce a price freeze for the next months.

[*English*]

EXTENDED WARRANTIES ON MOTOR VEHICLES—
GOVERNMENT ACTION TO ENFORCE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, in view of the fact that over the last three months it has been brought to the attention of the Minister of Consumer and Corporate Affairs that the major motor car companies did offer extended warranties, which were kept secret, in respect of certain qualitative defects on certain models in the years from 1969 to 1973, and in view of the fact that in July the minister told this House he would ask these motor car companies to co-operate with his department in order to make sure the consumers would get the benefits of these extended warranties and have their cars fixed at the companies' expense, and bearing in mind that these companies have dragged their feet in co-operating with the department and the government, will the minister now tell the House what steps his department intends to take in view of this feet dragging by the car manufacturers?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, first, my department established a special work force that coordinates its activities and investigates complaints made by consumers. Second, meetings are taking place with representatives of the automobile industry and I can assure the hon. member that my department follows up thoroughly any inquiry filed by consumers. Moreover, the Automobile Protection Association also makes representations on behalf of consumers and submits complaints to the court when necessary.

[*English*]

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OLYMPIC GAMES

POSSIBLE INTRODUCTION OF LEGISLATION TO AID FINANCING—REQUEST FOR ASSURANCE FEDERAL COSTS WILL NOT INCREASE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, last week the President of the Treasury Board stated in this House that further legislation to assist the financing of the trouble-plagued Olympics will not be introduced at this time. Can it be assumed, therefore, that such legislation is in fact being considered for some other time in the future and, if not, can he assure us that no further legislation in fact will be introduced at this or at any other time?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the answer to the first part of the question is no. I do not have to comment on the second.

[*English*]

Mr. Jelinek: Mr. Speaker, because of the fact that original cost estimates for the Olympic Games, as we know, have more than tripled, primarily due to the mismanagement of COJO and city of Montreal officials, will the President of the Treasury Board assure this House that direct federal costs, and I am referring to security, immigration, CBC and others, will not increase from their original estimates as well?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not think that the anticipated cost of the federal services which are to be made available for the Olympic Games have increased in a way which may be compared to the higher outlays mentioned in connection with the development of the olympic site itself and if there is an increase it is marginal.

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FISHERIES

NUMBER OF BILATERAL AGREEMENTS ON FISHING ZONES—
DEFINITION OF FISHING ZONE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to ask a question of the Minister of State (Fisheries).

I want him to refer to my questions of last week concerning the bilateral agreements on territorial waters. With how many countries, besides Norway, does the minister hope to conclude bilateral agreements and has a schedule for such negotiations been established?

Hon. Roméo LeBlanc (Minister of State, Fisheries): Mr. Speaker, as far as I remember, I can list Spain, Portugal, Poland and the USSR; preliminary discussions are being held with Japan. The first round of talks with the United States did take place. As for the schedule, we have some problems in coordinating dates. We believe that the negotiations with all those countries will be initiated before mid-January.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question.

Has the minister now turned from multilateral to bilateral negotiations?

Mr. LeBlanc (Westmorland-Kent): Not at all, Mr. Speaker, but I must remind the hon. member that, unilateral or multilateral, the extension of the jurisdiction will require bilateral negotiations with the countries which have been fishing off the Canadian coasts.

* * *

[*English*]

CANADIAN EGG MARKETING AGENCY

REASON FOR RESIGNATION OF CHAIRMAN, MR. WORSDALE

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, last Friday the Acting Prime Minister stated he was unaware of the resignation of Mr. Worsdale, chairman of CEMA. Could the Minister of Agriculture now confirm whether Mr. Worsdale has resigned and, if so, for what reasons?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I know he has resigned, but I have not been

talking with Mr. Worsdale and I have not seen any correspondence. As a result, I have no knowledge of why he resigned.

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FEDERAL-PROVINCIAL RELATIONS

EFFECT OF ASSUMPTION OF OLYMPIC DEBT BY QUEBEC ON TRANSFER PAYMENTS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the President of the Treasury Board and is supplementary to a question of my colleague, the hon. member for York-Simcoe. In light of the announcement by the government of Quebec, that it is to assume some of the responsibility for the planning and building of Olympic facilities, and since this decision will place a strain on the budget of the province of Quebec, will these additional expenses be considered when transfer payments from other provinces are considered?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): I do not think that would be a factor in establishing the equalization payments to the provinces, but I will check and report to the hon. member.

* * *

[*English*]

PUBLIC SERVICE

POSSIBLE REPLACEMENT OF MERIT SYSTEM BY QUOTA SYSTEM TO ENSURE EQUALITY OF OPPORTUNITY FOR FEMALES

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, in view of the fact that the Minister of National Health and Welfare has stated the government wishes to ensure that within a reasonable period of time the ratio of male to female employees in the Public Service in each department, occupational group and level will approximate the proportion of qualified and interested personnel of both sexes available, I am wondering whether the minister is proposing that rather than a straight merit system the government will be introducing legislation or regulations providing for a quota system to assure that an increased percentage of positions will be filled by females?

● (1500)

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if the hon. member cares to look further in the speech I delivered from which he quoted he will find the determination of this government is to ensure proper and fair representation to women in the Public Service of this country.

Mr. Dick: Mr. Speaker, I would rather not try to be partisan in this matter or get kudos from the backbenchers. What I am trying to determine is whether the minister can explain whether or not they have decided on a quota system or whether they will rule out a quota system.

Mr. Lalonde: Mr. Speaker, the hon. member again can look at my speech. I have explained exactly how the system will work. There will be full co-operation by all departments under the direction of the Treasury Board in which the departments are invited to propose targets over the next five years in terms of promotion of women. The Treasury Board will review these targets with the department every year, and we will try to ensure, as I said in the speech, that all interested and able women who want to be promoted in the public service will be properly considered and will have their chance to be promoted.

ROUTINE PROCEEDINGS

[*Translation*]

KING GEORGE V CANCER FUND WINDING-UP ACT

MEASURE TO WIND UP FUND

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-76, intituled: "An Act to wind up The King George V Silver Jubilee Cancer Fund for Canada and to authorize the sale of the assets and securities of the Fund and to transfer the sale proceeds and the balance of moneys to the National Cancer Institute of Canada".

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

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,878, 3,154, 3,290, 3,313 and 3,328.

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

[*Text*]

DEFENCE EXPORT SALES

Question No. 2,878—**Mr. Macquarrie:**

1. With reference to the answer to Question No. 2,394, is there any department which is prepared to divulge to the people and Parliament the dollar value of military equipment sold to other states and, if not, what is the reason for such secrecy?

2. (a) To what countries in each year since 1963 has Canada sold military equipment (b) what was the nature of such equipment?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Dollar values of all Canadian exports, including military equipment, are published in Statistics Canada Catalogue 65-004 (monthly)

"Exports by Commodities". With the exception of items classified under commodity class 930-99 (military weapons ordnance and parts), military equipment exports are not separately identified as such in this publication but are included in their appropriate commodity class. No department other than Industry, Trade and Commerce compiles statistics on all military equipment export sales as separate from all other export sales. Military equipment export sales figures as compiled by the Department of Industry, Trade and Commerce contain information provided by Canadian companies on a voluntary and confidential basis and, therefore, details cannot be made available since such disclosure could be considered a breach of confidentiality and could compromise a company's competitive position.

2. (a) Since 1963 Canada has sold military equipment to the countries as tabulated below:

Country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Abu Dhabi						x			x			
Argentina	x	x	x	x	x	x	x	x	x	x	x	x
Australia	x	x	x	x	x	x	x	x	x	x	x	x
Austria	x	x	x	x	x							x
Bahrain									x			
Belgium	x	x	x	x	x	x	x	x	x	x	x	x
Bermuda			x									
Bolivia											x	
Botswana							x					
Brazil	x	x	x	x	x	x	x	x	x	x	x	x
Britain	x	x	x	x	x	x	x	x	x	x	x	x
Brunei				x	x	x	x		x			
Burma	x		x	x	x	x			x	x		
Cameroun									x			
Ceylon									x			
Chile	x	x	x	x	x	x	x	x	x	x	x	x
Colombia	x	x	x	x	x	x	x	x	x			x
Denmark	x	x	x	x	x	x	x	x	x	x	x	x
Ecuador	x							x		x	x	x
Ethiopia	x	x	x	x	x						x	x
Finland					x	x	x	x	x	x	x	
France	x	x	x	x	x	x	x	x	x	x	x	x
Federal Republic of Germany	x	x	x	x	x	x	x	x	x	x	x	x
Ghana	x	x	x	x	x	x	x	x	x	x	x	x
Greece	x	x	x	x	x	x	x	x	x		x	x
Guyana											x	
Iceland				x								
India	x	x	x	x	x	x	x	x	x	x	x	x
Indonesia				x								
Iran	x	x	x	x	x		x		x	x	x	x
Ireland												x
Israel	x	x	x	x	x	x	x	x	x	x	x	x
Italy	x	x	x	x	x	x	x	x	x	x	x	x
Jamaica				x	x	x		x	x		x	x
Japan	x	x	x	x	x	x	x	x	x	x	x	x
Kenya		x	x	x		x	x		x		x	x
Korea									x	x	x	x
Kuwait			x					x	x			
Luxembourg						x					x	
Malaysia	x		x	x	x	x	x	x	x	x	x	x
Mexico	x											
Mozambique	x											
Muscat and Oman								x	x	x	x	
Netherlands	x	x	x	x	x	x	x	x	x	x	x	x
New Zealand	x	x	x	x	x	x	x	x	x	x	x	x
Nigeria										x		x
Norway	x	x	x	x	x	x	x	x	x	x	x	x
Pakistan	x	x	x	x	x	x	x	x	x	x	x	x
Panama								x	x		x	
Peru	x	x		x	x	x	x	x	x	x	x	x
Philippines	x										x	x

Order Paper Questions

Country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Portugal	x	x	x	x	x	x	x	x	x			x
Puerto Rico									x	x	x	x
Rhodesia		x	x									
Saudi Arabia							x		x	x	x	x
Singapore	x		x	x			x	x	x	x	x	x
South Africa	x	x	x	x	x	x	x	x	x			
Spain	x	x	x	x	x	x	x	x	x	x	x	x
Sweden	x	x	x	x	x	x	x	x	x	x	x	x
Switzerland	x	x	x	x	x	x	x	x	x	x	x	x
Taiwan		x				x	x			x		x
Tanzania			x			x		x	x	x	x	x
Thailand	x					x	x					
Trinidad			x	x	x							
Turkey		x	x	x					x		x	x
Uganda		x	x	x								x
Union of Arab Emirates											x	x
United States	x	x	x	x	x	x	x	x	x	x	x	x
Venezuela	x	x								x	x	x
West Indies		x	x			x						
Yugoslavia	x	x	x	x	x				x			
Zaire									x			x
Zambia		x		x	x	x	x	x	x	x	x	x

2. (b) Military equipment sales have included applied research and development, pre-production, production, licence agreements and technical assistance, installation (other than construction) and repair, overhaul and modification. "Off the Shelf" general procurement, construction, fuels and lubricants, basic raw materials and services (such as rentals and transportation) are excluded. Military equipment sold by Canada has been, for the most part, items having a high technological content and includes such items as aircraft, aircraft engines and spares, airframe and engine components and spares, flight simulators, reconnaissance drones and spares, navigation and communication equipment and spares, avionics, marine valves, sonar equipment, ammunition and components, and vehicle parts and spares.

FATTAH REPORT

Question No. 3,154—**Mr. Reynolds:**

Has the Solicitor General received a copy of the report from Mr. Ezzat Abdel Fattah on public attitudes towards capital punishment in Canada, and (a) if not, on what date does he expect to receive the report (b) if so, will the report be made public or available to Members of the House of Commons?

Hon. Warren Allmand (Solicitor General): Yes. A preliminary copy of the report by Ezzat A. Fattah, Phd., entitled "The Canadian Public and the Death Penalty: a Study of a Social Attitude" was received in March, 1975. The final report was received on October 3, 1975. (a) Not applicable. (b) Publication of the report is now under consideration.

AIR COMMAND HEADQUARTERS BUDGET

Question No. 3,290—**Mr. Howie:**

What amount of money was budgeted for salaries for the first year of operation of Air Command Headquarters at Winnipeg?

Hon. James Richardson (Minister of National Defence): The money budgeted for salaries for the first year of operation of Air Command September 1, 1975 to August 31, 1976 is as follows: Military Personnel, $6,286,538; Civilian Personnel, $507,095; Total: $7,793,633.

HMCS "PROVIDER"

Question No. 3,313—**Mr. McKinnon:**

1. Is it the government's intention to refit HMCS *Provider* in the near future?

2. Is the refit to be done at the refit facilities in Halifax and, if not (a) for what reason (b) in what location will it be done?

Hon. James Richardson (Minister of National Defence): 1. Yes. Present intentions are for the refit to commence in the fall of 1976.

2. No. (a) and (b). It is intended to refit the *Provider* under contract on the west coast as the ship is based there. A contract refit is planned because the scheduled maintenance requirements for other vessels will fully load HMC Esquimalt dockyard facilities.

MILITARY AND CIVILIAN STRENGTH OF DEPARTMENT OF NATIONAL DEFENCE

Question No. 3,328—**Mr. McKinnon:**

What was the (a) military (b) civilian strength of the Department of National Defence and Armed Forces on March 31, 1974 and March 31, 1975?

Hon. James Richardson (Minister of National Defence): March 31, 1974, Military Strength, 80,563; Civilian Strength, 38,886; March 31, 1975, Military Strength, 78,323; Civilian Strength, 35,050.

[*Translation*]

Mr. Speaker: Do the remaining questions stand?

Some hon. Members: Agreed.

Energy Conservation

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO CARRY OUT EFFECTIVE ENERGY RESOURCE CONSERVATION PROGRAM

Mr. James Gillies (Don Valley) moved:

That this House regrets the government's failure to carry out an effective energy resource conservation program and, in particular, calls upon the government to answer the criticism by the International Energy Agency that "there appears to be a substantial gap between principle and practice... that the (Canadian) cabinet appears to have accepted the goal of conservation without recognizing the need to implement the goal with specific actions."

He said: Mr. Speaker, this motion, of course, represents the position of this party that the government has done absolutely with regard to energy resource conservation in Canada. In speaking to my motion, I speak not only for the people of Canada but, in effect, for the countries of the world, because the International Energy Agency, an agency of industrialized countries designed to examine what is happening in respect of the use of energy around the world, has seriously condemned Canada for doing so little in the area of energy conservation.

In a period when the world is experiencing perhaps the most serious economic problems and difficulties since the depression, it is heartening to every citizen of this small global planet that countries of the world can get together to develop international programs for conserving energy. It is disheartening to every Canadian that when that agency begins to look at what various countries such as Canada are doing in respect of the conservation of energy, and appoints a sub committee consisting of Spain, Sweden and Belgium to investigate what Canada is doing, it should come to the conclusion that Canada is doing a very little so far as the conservation of energy is concerned. In fact, it reported to its full membership that Canada is not coming to grips at all with energy conservation.

It is not very surprising that it should come to such a conclusion, because in Canada we are spending 11 cents per capita on the conservation of energy, compared to Britain which spends 19 cents per capita for energy conservation and Sweden which spends 31 cents per capita. What is the consequence of the fact that we are doing so little about energy conservation? In 1974, consumption of energy in Canada went up 7.8 per cent, whereas in the United States consumption of energy went down .8 per cent, and that consumption of energy in western Europe went down 1.8 per cent. Throughout the world, where countries are concerned about the profligate use of energy, consumption has been cut back and is dropping, while in this country consumption of energy is rising at a very extensive rate.

It is no wonder, when there is a review by an independent group of countries looking at Canada's problem, that those countries should be appalled by the things they observed. I know the government says it is not astonishing that the consumption of energy went up in Canada when it went down in other countries because, after all, the Canadian economy was for a time more prosperous than the economies of some other countries. But consider this assertion. While it is true that the Canadian GNP went up

[Mr. Speaker.]

a year ago by about 4.5 per cent when our energy consumption went up by about 8 per cent, when we compare this with the situation in a country such as Sweden, which is no different from us in respect of its location, in terms of its northern exposure, we find that there when the GNP went up, energy consumption went down.

We must face the fact that Canada is one of the most wasteful users of energy of any country in the world, and that this cannot be attributed to the fact that our GNP is growing faster than that of other countries, because this is not so. We are not using energy effectively. We have the second highest per capita use of energy of any country in the world. We use more energy, per dollar of gross national product generated, than any other country in the world.

By any measure, Canada has been profligate in the use of energy. How strange it is that now, two years after the development of the energy crisis, we must have a debate in the House of Commons about conservation of energy. How peculiar it is that two years later nothing has been done in this country to conserve energy. One must ask oneself why the government does not do anything about energy consumption and why it does not seem to care. I think the answer to why nothing has been done by the government is the fact that it does not know what the energy situation actually is in the country. The reason they do not know is that they have been fed, or used, or have had to make their decisions and policies on the basis of reports from the National Energy Board and other departments which have been fantastically wrong in their analyses and predictions. The government really does not have any foundation upon which to make any sort of policy.

● (1510)

It is to me incredible that in 1971 we could have had a minister of energy, mines and resources in this country saying that we have enough oil to last us for the next 923 years. It was nice that he could round out the figure. He also said that we had enough gas to last us for the next 328 years. I am referring, of course, to the famous speech made by that minister in Denver in 1971. Only five years ago a government spokesman, a member of the cabinet, said that we have enough energy in this country to suffice for the next 1,000 years, approximately. In 1969 the National Energy Board was saying we should export more because we had these great resources and we had everything we needed. It is evident that the government had no basis on which to make decisions, and because they had no such basis the position they have taken is that they should not do anything at all about the matter.

I know government people will say that there has been some sort of a program. What has it been? A year or so ago, when they wanted the Canadian people to become interested in energy conservation, the government published a book telling Canadians to shut off the lights; and they spent $2.5 million on advertising it. Interestingly enough, when people wrote asking for the book, it was not even available, and what is even more interesting, $2.5 million was spent on advertising when the total amount spent on energy research was only about $1.25 million. What an incredible set of priorities this government has, when it spends twice as much on advertising as it does on research to find ways in which we can conserve energy.

To be fair, I must point out that the government did some things of a marginal nature in conservation, such as the removal of the sales tax on some energy users, such as motorboats. Even there, a great debate ensued as to exactly when they did take off that tax. This also applied to snowmobiles and a few things of that sort, but they were very marginal things which could only affect the periphery of the use of energy. They also established an office on energy conservation. Since it has been established hardly anyone has been made aware of what it does.

What should the government do? A great many things could have been done. We could have changed the tax structure on automobiles, making it attractive for people to use more efficient cars. The Ford Foundation in New York has published a report which says that any country that is serious about energy conservation should require that by the year 1980 all cars sold should operate for at least 20 miles per gallon of gasoline. This government has taken no action along this line. It has taken no action on speed limits. Over a year ago the United States government went in the direction of reducing speed limits. Now we find the Minister of Energy, Mines and Resources (Mr. Gillespie) planning to meet the provincial premiers on December 12 to discuss the whole question of reducing speed limits—two years too late.

Has the government been making a great thrust to try to get urban transportation built in this country in an effective fashion? No, it has not. Has the government used any imagination in developing tax policies to encourage car pools? Not a thing has been done in that direction. Has there been any tax program or any other sort of program to increase shipment by rail? No, there has not. In the use of energy for transportation the government has no program for conservation of energy—none whatsoever. What has the government done about energy conservation in the area of housing? It recently introduced a major program to stimulate residential construction, but is there anything in that program for energy conservation? No, not a thing. Has the government given any particular advantage to the people who use more insulation in their houses? No, it has not. You would think that the Minister of State for Urban Affairs (Mr. Danson) had never heard—he probably never has—that there may be a need to conserve energy in this country. Was there anything in that program to give advantages to those building houses with solar energy plants? No, not a thing.

So nothing has been done for conservation in transportation or in residential construction. In terms of industrial use, nothing has been done to encourage energy conservation. All that can be concluded is that the government really does not take this matter seriously and does not really believe that energy conservation is an important matter so far as this country is concerned, in spite of the fact that we have a far greater relative increase in energy consumption than any other country in the world.

It is argued, and may well be argued by the government, that the only effective way to conserve energy is to let prices rise. As a matter of fact, the former minister of finance has argued from time to time that it is important for the price of energy to rise so that there will be some type of conservation brought about. I have waited a long time to hear the Minister of Finance (Mr. Macdonald) or the Minister of Energy, Mines and Resources (Mr. Gillespie) release to parliament some studies to suggest what sort of conservation would come about with a rise in prices. Of course, none has come forward.

The fact of the matter is that most studies which have been done seem to indicate that higher prices do not change energy consumption much. There are changes in consumption when total levels of economic activity change, but by themselves prices do not change energy consumption a great deal. We in this party have argued and supported the idea that care must be exercised in the way in which price changes are made, given the fact that such rises in price have different impacts in different regions and people with different income levels. But the fact still remains that the important thing is not a rise in the price of energy per se for the sake of conservation but, rather, pricing that ensures that the people who are producing energy, the explorers and developers, have a sufficient rate of return so that they continue to find energy needed for this country. One of the tragic things that happened in the last couple of years was the decision of the government to use energy as a foundation for tax revenue, rather than how to produce the energy which we will need in this nation in the years ahead.

We have reached the incredible situation of a country which should be self-sufficient in energy, particularly in fossil fuels, facing the possibility of finding itself short and having to import the energy it needs in the years ahead. We are at a period when we are profligate in our use of energy resources, we have no program to increase our supply, and we have never considered the problem of conserving what we have in an effective fashion. We are not even looking seriously at alternative sources of energy in this country. As I mentioned earlier, the total amount we are spending on energy research and development in this country is about $1.2 million, and we are spending it in seven departments. The natural result is that no effective work whatsoever is being done.

● (1520)

My colleague, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) will be speaking on alternative energy sources as this debate goes ahead, but I want to stress that the task force on energy research and development has said, and made clear, that research and development of energy conservation methods has been neglected in Canada, yet research and development should form a significant component of any energy conservation program. The task force says very firmly that the government should be spending about $10 million per year on research into ways in which to conserve energy. We are spending about $1.2 million.

Does it make any difference whether we have an energy conservation program or whether we do anything about conserving energy in the course of the next few years? Of course it does. In the first place, we could run out of our energy. It is incredible to think that this government is so unconcerned about its commitment to future generations that it would allow even the possibility that Canada would run out of energy resources, or that we would permit, because of profligate use now, a shortfall of energy for generations in the future.

What an example we are providing for Third World countries which are experiencing tremendous problems as a result of energy shortfalls! We have a government that is unwilling to conserve, to try to tighten its belt or do anything about our energy needs. It is not making it clear to the Canadian people that we have to conserve. Significantly, and most importantly, overutilization of energy is having enormous economic consequences for our country. I think every member of parliament knows the dramatic situation which is occurring with regard to our balance of payments.

Canada is operating with the largest deficit in its balance of payments history. One of the reasons for this great deficit is that we do not any more have our natural resources to export. More importantly, we are importing a large portion of the energy we have to use. With the opening of the Montreal pipeline there will be even less energy to export, and as far as our balance of payments situation is concerned we will have less revenue generated. The solution is not necessarily to export, but to import less, and the way to do that is to use less. The way to use less is to have a meaningful conservation program in this country.

One of the many charges which could be laid at the feet of this government is the fact that in spite of what has happened around the world, in spite of the dramatic situation developed by the OPEC countries, in spite of the fantastic deterioration in our economic position, the government has not deemed it necessary to start any kind of conservation program. It has never taken to the Canadian people the proposition that in our own interests and in the interests of generations which will follow us, we must do something to conserve the use of resources in this country.

There can be no greater indictment of a government that, in spite of the situation around the world and in spite of a negative report by other countries, we are doing nothing about conservation. In spite of what is going on all over the world, in this country we are increasing the use of our energy by about 8 per cent per year, when other countries are doing a commendable job of trying to reduce energy consumption. It is the height of irresponsibility on the part of the government that it has not taken to the Canadian people the responsibility of trying to do something about energy conservation.

Some hon. Members: Hear, hear!

Mr. Gillies: Of the many things with which one could charge this government—apart from lack of leadership in almost all areas of economic policy—when the chips are really down and when history is written, one of the things historians will ask is, where was the government when there was a chance to conserve some of our great natural resources? They will say that they did not care, they did not take the matter to the Canadian people, they did not ask the Canadian people to do something about it. That is an indictment this government will have to live with for a long, long time. And it will not be simply a political indictment, because it is much more than that. The indictment which will come down on this government from our children and our grandchildren will be that we wasted our resources at a time when we should have been conserving them. I hope the government will take very seriously the charge that it is doing nothing about energy conservation. The Canadian people want the government to give some leadership in this area so that we will not all have to face the charges which will otherwise be made in the years ahead.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the hon. member for Don Valley (Mr. Gillies) has rendered a useful service to this House and to the people of Canada by placing his motion on the order paper and drawing attention to the failure of the government to implement an effective energy conservation program. The fact is that for many years this country has faced the threat of an oil shortage, to which fact the government has been consistently indifferent. Now that threat has become a reality. This year we will be 100,000 barrels a day short of self-sufficiency, and the estimate is that by next year we will be falling 300,000 barrels per day below self-sufficiency. Yet we go on merrily as though our oil and gas resources were limitless and so far the government has done nothing effective to deal with this serious situation. If we do not do something soon, we will be compelled later to take Draconian measures such as the rationing of gasoline and home heating fuels, which could be a very serious problem indeed and very difficult to administer.

The Government of Canada, along with a number of oil consuming countries, signed an international energy agreement in which, among other things, Canada promised, along with the co-signers to endeavour to reduce energy consumption by 10 per cent. The fact is, of course, that our demand is still going up. A few years ago our consumption was about 1.4 million barrels per day, it is now up to 1.7 million barrels per day, and the estimate put out by oil companies is that by 1980 it will be 2 million barrels a day. Therefore, we can hardly blame our fellow signatories to the international energy agreement when they say that there appears to be a substantial gap between principle and practice and that the Canadian cabinet appears to have accepted the goal of conservation without recognizing the need to implement the goal with specific actions. That is a damning indictment of any government, particularly when it comes from a group of nations which are struggling with the problem of oil shortage.

It is true that the government introduced an energy conservation program on February 6, a program introduced by the previous minister of energy, mines and resources. Those of us who replied at the time the minister introduced that program said it was going to be very largely a public relations effort. That is what it turned out to be. Money spent, in the main, has been spent on advertisements, pamphlets and commercials on radio and television. The public was told that there were 100 ways to save energy and to put money in its pocket. People were told to turn down thermostats and to wear sweaters. They were even told to take fewer baths. I assume that members of the cabinet set an example by scrupulously accepting that admonition. That probably explains why this government is in such bad odour all across Canada.

● (1530)

Mr. Knowles (Winnipeg North Centre): They are all stinkers!

Mr. Douglas (Nanaimo-Cowichan-The Islands): What has the government actually done? On February 6, the minister announced a program which was to cost $1.3 million. In the estimates for this year, for the energy conservation office there was half a million dollars, and now the Minister of Energy, Mines and Resources has brought in a supplementary estimate for $2,350,000. The initial vote and practically all of the present vote will be used, in the main, for advertising with respect to education, the minister says, among youth, industry and transportation systems; but there have been no effective steps and no co-ordination by the various departments of government in order to bring about conservation of energy.

What the government has failed to realize is that over the years our whole economy has been built on the concept that we can waste our energy resources because we have unlimited quantities on hand. Our economy has been geared to the idea that our consumption should go up annually. For instance, because of the high price of housing in the cities, we have pushed people out into suburban areas and even out into the country, so that they need gasoline to drive to work. The automobile industry has worked on the principle that there is more profit on large cars than small cars and have resisted public pressure for smaller cars. The building codes have been completely unconcerned about saving energy and putting in proper insulation and energy-saving devices. Urban transportation repeatedly has been set aside on the ground that it is really for the poor and the disadvantaged, everybody else should drive a car, and the bigger the car and the more energy consumed, the better.

I do not think we can procrastinate on this question any longer. I think the time has come for the government to use its very considerable powers in a number of areas in order to conserve energy in this country. I want to suggest three areas in which action has to be taken. The first is in the field of transportation, because this is one of the major consumers of energy. There has to be a move toward smaller cars; there have to be means by which the large, heavy gasoline-consuming vehicle becomes less attractive. The government has put a 5 per cent excise tax on larger cars. That will have to be substantially increased. They will have to do much more. As long as large cars give the automobile industry a bigger profit than small cars, they will be produced.

The government could help very considerably in this field by putting in tax disincentives for the automobile industry to make large cars, and tax incentives for them to make small cars. But they are doing nothing like that. The energy conservation office is powerless. According to the press, the director of that office, Mr. David Brooks, wanted to put an energy efficiency tag on all cars in the dealers' showrooms. Such a tag would have shown the amount of gasoline consumed per mile, or the number of miles per gallon of gasoline which could be obtained from that car. The prospective purchaser would then have had some idea whether the car he or she was purchasing was the one that would give more miles to the gallon. Press reports say that the government turned down that proposal. Even that very simple proposal was rejected.

As the hon. member for Don Valley pointed out, the government made an appeal to the provinces to lower the speed limit to 55 miles an hour. British Columbia acceded to the request immediately. This has not only helped with respect to the consumption of gas, but it has helped to reduce accidents in that province. How much pressure was put on the provincial governments? What attempt was made to bring provincial representatives together last February or March to lower the speed limit? Nothing at all. The only people who have benefited from the government's energy conservation program to date are the advertising agencies.

The second field I want to look at is the matter of space heating. Fuel for heating buildings, factories and individual homes accounts for 35 per cent of our oil consumption in this country. One of the first things the government should have done—and ought to do now—was put in the national building code standards which require insulation and proper energy-saving devices. Central Mortgage and Housing Corporation requires that if the houses built under its assistance programs are electrically heated, they must have very high standards of insulation. Those standards should be applied to all houses in which Central Mortgage and Housing Corporation has any equity. This ought to be in the national building code. According to CMHC, the additional cost for a three-bedroom house is anywhere from $200 to $400. The householder would save that amount in fuel costs in the first year or so. The government has done nothing at all about building codes. We merely say to the construction industry that they should take whatever steps are necessary to insulate houses and conserve fuel, but we are still building shells; we are still putting up houses in which there is a tremendous waste of fuel.

The government ought to do something about prestige lighting. The lighting of office buildings and keeping them lit all night is an advertising gimmick. Driving home from the parliament buildings at night I notice that every high-rise office building in central Ottawa is lit to the roof at almost midnight. The government's conduct is no better. I see the National Defence building with every office lit. I see the Lester B. Pearson building lit from top to bottom. I recognize that there may be people in these buildings who have to work at night, but the whole of the buildings do not need to be lit.

Neon signs are another example; they are left burning all night. The government says it has no power to deal with that, but they could rule that this type of lighting constitutes advertising, and if they were to set a percentage on the cost of advertising and say that beyond that figure advertising would not be deductible for income tax purposes, it would very quickly cut down the amount of unnecessary lighting of buildings at night and the unnecessary neon lights that are left burning all through the night.

If the government wanted to set an example to the people of this country, I suggest they could ground the executive jets which ministers use for flying around the country telling people how to save energy. The former minister of energy, mines and resources said, as reported on page 2988 of *Hansard* for February 6, 1975:

● (1540)

—we hope to provide a strong example to the public and private sectors.

The government now has the chance to set an example. It is not good enough for the government to admonish the public in a fatherly way, to indulge in pious platitudes and set up an energy conservation office with a budget which will permit full-page ads in scores of newspapers and commercials on radio and television. This may lead the public to thinking the government is doing something when in fact it is doing nothing. If the government really wants us to conserve energy, it must act in a variety of areas, including urban transit. For four years we have heard about studies and reports on rapid transit, but it has never gone beyond the study stage.

The government should encourage the use of small cars, the adoption of a national building code, the implementation of rapid transit, and make sure that those who would squander this country's rapidly diminishing energy resources are prevented from doing so. If the government does not act, we shall face a serious situation in a few years. This or some other government will be required to institute rationing, along with all its administrative headaches, for we shall then be compelled to curtail the use of a resource which the government, by indifference and procrastination, has allowed to be squandered over the years.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, first of all, I want to cangratulate the sponsor of the motion who blames this government. I quote the motion:

This House regrets the government's failure to carry out an effective energy resource conservation program and, in particular, calls upon the government to answer the criticism by the International Energy Agency that "there appears to be a substantial gap between principle and practice . . . "

On reading this motion, I realize that it only deals with the problem of energy conservation. I feel this motion is much too restricted, thus not realistic at all since the great long-term problem at the present time is the research and development of new energy sources. Indeed, at the present time and in the short term, it is very important to conserve our present resources, hence today's debate, but once again we are forced to hold a closed-circuit. I think that all hon. members in this House will agree on this point. I understand very well the hon. member for Don Valley (Mr. Gillies) who blamed the government on the oil issue in particular.

Canadian resources are fairly restricted at the moment since technicians warn us every day that at the current rate, our oil resources will be exhausted within ten years and according to some, even within five years. Without panicking and anticipating disaster, we must face the situation. Of course, the government must be the first to take steps to reassure the Canadian people, since to govern is to look ahead. But I think all Canadians must show goodwill and do their best. To this end, all Canadians must ask themselves what they can do to better conserve oil energy.

That being said, it rests with the government to act in the interests of every Canadian. It should be pointed out that the oil problem does not exist in Canada only; since it is a depleting resource, it creates the same problems as all other vanishing resources, that is in the years of greatest output, everything is fine, everything is wonderful. Every hope is possible since it is felt that there will be no end to that abundance. Consequently, all the activities of our economic life are geared to that wealth, but it is suddenly realized that the resource will dry up one day and sooner than expected. So the situation turns out to be similar to that of Canada, namely a doubtful future.

If we consider oil-producing countries, we find that they share the same concern. All those countries are looking into the energy problem, energy conservation. I do not accept the allegations of the hon. member for Don Vally who said earlier that Canada had oil reserves for 900 to 1,000 years. The greatest experts in that field suggest that the world reserves which might be immediately developed have a 37-year lifetime at the present production rate, while non-recoverable reserves, with present technology, would only extend production possibilities by about ten years.

● (1550)

At the last world conference on energy, the proven oil reserves recoverable in the whole world have been estimated at 91 billion tons. This makes us realize that even the largest producers should consider saving an energy of such short duration.

In Canada, what has been done and what is being done to conserve oil, gas and all other energy resources? We soon realize that it is not by small measures such as reducing speed on highways or avoiding opening doors too much in winter to save heating fuel, that we will solve the problem of quick depletion of our energy resources. It is surely not by increasing prices further to force the consumer to park his car and walk that we will obtain the desired results in conserving energy. Those who have no means of transport other than their automobile to go to work will have to continue driving no matter the costs since it is a *sine qua non* condition to earn their living.

The problem does not exist at the consumer level only. We must first study the problem of small consumers but especially that of bigger ones such as Canadian industries that consume two thirds of our whole energy production. We must find a way to reduce this consumption, either through a marked imporvement in the situation or the research for a substitute which will be as efficient for our industries. I am referring to nuclear or even solar energy. Many will jump and shout, as is done too often, that it will cost too much.

Mr. Speaker, I ask those big talkers how much it will cost in Canada in five and at the most ten years to secure another energy source to keep in operation our industries now relying on oil when all our oil resources are gone forever. I say that then it will no longer be a matter of price because it will be too late for Canada.

That is why I say that in addition to programs for the conservation of energy resources, the government must introduce long term programs for the discovery and development of alternative new energy sources to replace oil, gas and even electricity, when these become obsolete.

Faced with these necessities on which the very survival of mankind will depend, we cannot be satisfied with a mere discussion on energy conservation, as proposed in the motion introduced by the hon. member for Don Valley. We

should deal instead with the whole question of the possible energy resources which may be available to us in the future; any thing short of that would be an exercise in futility. To return to the question of the conservation of Canadian oil, nobody can deny that the government has already done something in the area of oil exports.

The fact is that, the eastern provinces and Quebec being beset by problems caused by the increase in prices by their former suppliers, the Canadian government had to call on western provinces to divert a certain percentage of their exports towards those Canadian provinces and at the same time reduce exports to the United States.

It will be remembered that in 1974 the National Evergy Board proposed to limit exports to 800,000 barrels a day. Furthermore, on November 23, 1974, the then Minister of Energy, Mines and Resources announced that Canada was cutting its oil exports to the United States down to 650,000 barrels a day.

Very recently, *La Presse* of November 20, 1975 published an article I want to read which was entitled as follows:

Oil reserves will be depleted in five years.

The Federal government could well be forced to further lower Canadian crude oil exports to the United States in coming years as the National Energy Board just found out that western oil reserves will be depleted in five not eight years.

Those conclusions should be formally submitted today to the cabinet which will decide on the amount of oil available for the U.S. market until 1980.

Instead of curtailing daily exports from 750,000 to 560,000 barrels next year the federal agency proposes to set the maximum at 500,000 barrels a day and end exports in 1980-81—not in 1983 anymore as suggested a few months ago.

To spare U.S. feelings and especially protect U.S. refineries which have been going to western Canada for some twenty years already it is likely that Ottawa will raise to 525,000 barrels a day the maximum recommended by the national board.

That change of mind would be that much more justifiable that the Sarnia-Montreal pipeline will not be in full operation before next summer or fall. Furthermore, the National Energy Board feels that a reversible-flow pipeline should be envisaged to allow, sometime within the next few years, the transport of foreign oil to the very heart of the Golden Triangle in Ontario.

Mr. Speaker, that means therefore that the government has done something with regard to oil exports. I also feel that something has been done to maintain the level of energy productivity in Canada. We need but consider what has been done with regard to the Athabasca oil sands, to the development of which the government has already committed several million dollars.

The government strongly encourages the big companies through income tax exemptions, thus favouring research and exploration, although I doubt that those same companies produce the results the government expects of them. But with regard to domestic consumption, does the government do enough to promote interesting discoveries with a view to reducing the consumption of fuels and thus help conserve those resources which, to our mind, are disappearing much too quickly?

I would like to draw the attention of the government on all the most promising inventions because if we had used them we would have reduced our gas consumption by up to 50 per cent; the inventors have not yet been able to submit their findings to the government or make it accept them, or else these inventions were literally swallowed up by the oil kings against whom the government always seems powerless.

Mr. Speaker, today our cars would be as efficient and consume at least 50 per cent less gas if certain inventions had not been bought by oil sales and production companies. Of course, gas consumption would have been reduced by 50 per cent and the profits of the oil conglomerates would also have gone down by 50 per cent.

But if our government were free and independent of all these international companies, not only would we not now be talking about conservation and reduction of oil consumption, but energy would be only a minor consideration for our industries, our means of transport and all consumer needs. Moreover, if the government had gone beyond conservation and done more to promote research, even though multinational oil companies might have lost a few billion dollars, we could travel today in electric cars and say goodbye to pollution in our cities, which is causing our administrators so many headaches and costing the taxpayers so much money.

It is sad that this did not happen because of the influence of financial trusts on our governments. Even though the governments continue to grovel before national and world finance, the people are waking up so that it will soon become impossible to make them believe in fairy tales. There must be some evolution in the field of energy to enable people to live with future economic principles. And I am convinced that this essential evolution will come from the people themselves because the authorities—and I mean all levels of government—are too lazy to move out of the castles that have been built for them by those who control money, the economic blood of the world. I hope that tomorrow's society will be more human and less financial, and that it will be a society where financial power is submitted to man instead of man being submitted to money as today.

● (1600)

[*English*]

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the motion before us today, put by the hon. member for Don Valley (Mr. Gillies), affords us a good opportunity to discuss the government's energy conservation program, the need for it and the need for its expansion. I must explain to hon. members present that the Minister of Energy, Mines and Resources (Mr. Gillespie) is not here this afternoon; he is visiting my constituency of Algoma, the uranium energy capital of Canada, Elliot Lake. Unfortunately, he is travelling without my assistance on this trip, one which has been in preparation for a month or so. I do not know whether this motion today was by the design of the hon. member for Don Valley; however, I am sure it was not. But the minister will be here this evening and he will be taking part in the debate.

No one will deny the importance of the subject which the hon. member for Don Valley has raised. Although we do not agree with the precise wording of the motion, we do agree that all governments, industry, and the Canadian public generally should come to grips with the need for better conservation of our energy resources. There should be no mistake; Canada must, and will, move forward into

an era in which conservation is as important a part of our energy policy as increase in supply has been. I call attention to the amount of legislation placed before the House having to do with increases in supply during the fall of 1973 and throughout 1974. On the other hand, the conservation program was really only launched early in the present year. The government will continue to bring forward additional measures which will be in keeping with this new status of energy conservation.

Changes of the magnitude required will not be easy or painless. For a long time Canada has been living in what an English author has called a "fuel's paradise", ignoring the fact that our consumption of energy was growing at rates in no way sustainable even if supply prospects were far more optimistic than in fact they are. That is why I say changes cannot be made without difficulty and without some pain. I trust that when, in the near future, the government publishes measures requiring approval and action, we shall find that everyone is with us in our efforts to conserve energy in all regions of Canada, in all sectors of our industry and in all phases of our personal lives.

Let me turn, now, to the IEA report which is really the substance of the motion before us. The motion cites conclusions from a report prepared at the International Energy Agency in Paris last spring. In order to make this report more widely available and to ensure that its conclusions can be read in context, arrangements have been made whereby hon. members can obtain copies from the office of energy conservation. Unfortunately, the official report of IEA is available only in English, otherwise I would be glad to table it this afternoon for hon. members.

A report similar to this one on the Canadian situation was prepared with regard to each of the 17 member nations of the International Energy Agency. While Canada has participated actively in this evaluation work, we are not free to release any of the other reports. Each nation can release only the results of its own study. However, I might add that in a preliminary ranking of national conservation programs Canada ranked tenth among the 17 nations. This is not a worthy position but neither is it as bad as is implied by the motion before the House. The full report contains considerable praise for the Canadian program. Furthermore, some of the criticism is based on analyses of energy demand forecasts which, at the time the report was prepared, were still those contained in phase one of our energy policy studies, that is, forecasts consistent with the low prices which were then still prevailing throughout Canada. Since that time, the government has taken steps to permit energy prices to begin rising toward world levels and consumption forecasts have been revised sharply downward.

In other words, when the report was being prepared last spring, forecasts were being based on phase one of the energy report and the comparatively low prices which prevailed in the early summer of 1973. This is particularly significant since the most important criticism in the IEA report was directed to our low energy prices. I am sure that if we moved toward raising those prices to the level of world prices any more rapidly than we are presently doing, we would encounter a fair amount of criticism from members on the other side of the House.

Nervetheless, we have to accept in considerable part the statement quoted in the motion, which is to be found on the final page of the IEA report. Though we have created an office of energy conservation, though an imaginative program was presented to the House last February, and though we have taken part in numerous discussions with other governments both inside and outside Canada, the measures which have been specifically undertaken to conserve energy are as follows: First, the removal of the federal sales tax on insulating materials brought about in the last budget. Second, the introduction of an excise tax related to weight on the largest automobiles, and the imposition of a 10 per cent tax on private aircraft and on marine motors of more than 20 horsepower. Third, the introduction of stricter insulation requirements in the building code followed by Central Mortgage and Housing Corporation.

Both the hon. member for Don Valley and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) suggested that no action had been taken. In fact, the index of the Canadian code governing residential construction has been doubled from a factor of R-6 to R-12. The latter figure was previously specified for electrically heated homes but it now applies to all homes governed by the code, the one used by CMHC. The fourth item is the levying of a 10 per cent per gallon tax increase on motor gasoline for non-business use. I suggest that this is not a bad record though it falls far short of what is needed.

It was the contrast between the strong statements made by ministers of this government and the relatively few changes introduced to date which occasioned the statement about the existence of a substantial gap between principle and practice. However, I can assure the House that the cabinet does recognize the need to implement the goal of energy conservation with specific actions. Consider what has been done in nine months relative to the five-part program put forward by the minister of energy, mines and resources last February. This is a five-part program, part one of which called for putting the federal government's own house in order. Considerable progress has been achieved in this regard. With certain exceptions, lights are now turned off in most government buildings at night. I believe there are only one or two which require specific mechanical changes before this can be accomplished. A standing order requires the purchase of only compact or sub-compact vehicles unless continuing requirements indicate the need for a larger vehicle. A 55 miles per hour speed limit has been introduced for federal vehicles.

● (1610)

I might say, in responding to the hon. member for Don Valley on that point, that it was the federal government which gave leadership in reducing the speed limit for automobiles in this country, and now at least two provinces have adopted this policy. Meetings were held among officials last spring and it has been a subject raised at other meetings, as well, of conservation officials at the director level in an attempt to get the speed limit reduced. A survey conducted by the Canadian Press a few days ago indicated there were several other governments which indicated they were going to move toward a lower speed limit.

The computer-aided building design and operation team in the Department of Public Works, one of the best anywhere, has been expanded and given authority to establish training programs throughout Canada so that these tech-

niques, which can save from 25 per cent to 50 per cent in annual energy consumption, can be made available to the public. Strenuous efforts are being made by the Department of Supply and Services to introduce energy criteria into the purchasing system.

This part of the program is, therefore, well under way. In fact, progress is sufficiently strong that we feel confident in asserting that within a very few weeks we will be setting a target of an across the board 10 per cent cut in government energy consumption in the next fiscal year—that is, 1976-77—and a further target of stabilizing federal energy consumption for the following ten years. One might wonder if such a cut is possible, given the demands on government. However, an imaginative and far-reaching program in the Department of National Defence has shown that such savings, and indeed more, are possible.

Part two of the program put forward last February involved consultation with private groups and provincial governments. Since that time, numerous meetings have been held with industry, a conference with major industrial leaders has been held, and a public meeting at which industry will indicate its own conservation goals has been scheduled for next March. Meetings have also been held with groups supporting energy conservation from a number of points of view across Canada, and a beginning has been made in talking with public utilities.

Perhaps more important, continuing consultation has been maintained with the provinces. I think it is only fair to admit that response to our initiatives among the provincial governments has been mixed. The fact is that many of the direct approaches to energy conservation lie within provincial jurisdiction. Reduction of speed limits is a good example, and in this respect we were very pleased to see the recent announcement by the province of Ontario as well as the province of British Columbia. However, we are equally disheartened by the statement of the minister of highways of Nova Scotia who rejected any move to lower speed limits. I find this a rather strange state of affairs. From a general perspective, we have to take note of the fact that Canada was almost alone among the nations of the world last year in increasing its consumption of motor gasoline, and the picture is not too much better for this year. From the perspective of a province whose gasoline prices are subsidized by the rest of Canada, the statement is equally difficult to accept. Were Nova Scotians paying the full cost of the imported petroleum they consume, they might well be willing to reduce their consumption voluntarily. They might even find the efficiency of transport thereby increased, not decreased.

Mr. Stanfield: Stop attacking the Liberal government down there.

Mr. Foster: This government is committed to phasing in the effects of higher energy prices and has attempted to mitigate the impact on regions that use imported oil. Let me say right now that such a policy is severely jeopardized if the response by the provinces is an unwillingness to conserve.

The third part of the program announced last February was related to public information and advertising. Here we take second place to no nation in the world. Indeed, the IEA report itself refers to this program in terms of its "great imagination and drive". The report goes on to suggest that "some of its productions could be studied with benefit by other IEA nations". Work on this program is continuing. For example, new material is being prepared to be used in primary and secondary school curricula, a booklet on improved furnace servicing for the home owner has just been published, and informative advertising in newspapers and on television and radio programs is going forward. Finally, let me invite each member to watch a special cartoon feature on Boxing Day, entitled "The Energy Carol" in which Mr. Scrooge will be visited by the ghosts of energy past, energy present, and energy future.

Mr. Baldwin: Burn all *Hansards* containing Liberal speeches.

Mr. Foster: The fourth part of this program focused on the need for specific conservation measures. I have already outlined the measures taken to date. It is no doubt the absence of further measures in this category that is responsible for the statement quoted in the motion. Let me assure hon. members once again that this government is far from satisfied with the current situation. At a recent meeting of the International Energy Agency a revised, indicative list of energy conservation measures was developed that must be given serious consideration in the further strengthening of national conservation programs. I have copies of that indicative list and if hon. members would like me to table it, I would be pleased to do so. I think it is an important list, one that is used by the International Energy Agency.

The Acting Speaker (Mr. Turner (London East)): Does the hon. member have permission to table it?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, a private member cannot table anything in this House. He can have it put in *Hansard* without reading it. Just imagine what would happen if all of us could put things on the table.

The Acting Speaker (Mr. Turner (London East)): Is the parliamentary secretary speaking on behalf of the minister? If he is, he has permission to table the document.

Mr. Baldwin: No, he does not have my permission.

Mr. Foster: Without seeking permission to table it, Mr. Speaker, I would be glad to let members know that the information is available. I am sure it will be of interest at least to some. I should like to invite each member of this House to review the list and consider how well Canada as a whole, and members' individual constituencies in particular, can live up to the standards on that list. However, to initiate a new action phase we will be bringing measures forward in the very near future. Perhaps we have been too cautious in some of the actions taken to date. Surely it is not too much to tell Canadians that they are going to be required to drive smaller cars and use more efficient appliances.

Surely it is not too much to require of industry that it develop reusable and recyclable products and that it find ways to use waste heat and waste materials to conserve energy. Surely it is not too much to require of our public

buildings, hotels and offices that temperatures be lower in the winter and higher in the summer. Surely it is not too much to reduce speeds on our highways and by commercial aircraft, and to ask that all modes of transport operate with higher load factors. Surely it is not too much to require that pricing practices of utilities be such that consumers are rewarded, rather than being penalized, when they practice conservation.

● (1620)

The government expects within a very few weeks to have programs to do many of these things. However, not all lie within federal jurisdiction and not all can be accomplished quickly. The important thing is to make a start at each jurisdictional level and then to require changes as rapidly as possible as we move toward a new situation in energy.

Let me illustrate the potential savings from only one of the measures that is being considered. It happens to involve transportation, which the IEA report describes as a sector in which "much more needs to be done". If, through minimum efficiency standards, the average efficiency of Canadian automobiles could be raised from the present 17.5 miles per gallon to 28 miles per gallon by 1985—a shift that is both technologically and economically feasible with no change in the structure of the automobile industry and with very little effect on consumers—the consumption of gasoline would drop from the present 600,000 barrels per day to just over 400,000 barrels per day. This potential saving is all the more impressive because it is based on an assumption that the number of automobiles in Canada will expand in the next decade from eight million to eleven million and that each automobile is driven as much as are those in the existing fleet. Despite these strong forces for expansion, a simple increase in automobile efficiency would bring us to less than zero energy growth for motor gasoline over the next decade. Savings are so large, and costs so small, that one wonders how anyone can object to such a conservation measure.

Let me conclude by referring briefly to the fifth and final portion of the government's program which involves the longer term future. Conservation has been variously described as an opportunity, an ethic and a way of life. It is all these things. We no longer have a choice about whether we are going to conserve. In an era in which energy costs are rising dramatically, in which energy supplies are becoming smaller and smaller relative to the demand, and in which great concern is being voiced about worldwide effects of excessive energy demand, a vigorous and profound program of energy conservation is essential. Indeed, it may be the optimum policy for Canada.

It is seldom recognized how powerful are the effects of even small efforts at conservation. For every 0.1 per cent that the rate of growth of energy consumption can be reduced between now and 1990, there will be a reduction in energy use in 1990 by the equivalent of one Syncrude-sized tar sands plant or five Pickering-sized CANDU nuclear stations. That is capital saved and inflation moderated. In any one year, for each 1.0 per cent drop in energy consumption—something that can be achieved easily by thermostat adjustments, or by driving slightly less, or by good furnace maintenance—consumers save about $200 million at the retail level, which would reduce future capital cost for energy supply by more than $0.5 billion. Assuming the 1 per cent annual saving were achieved only for heating oil in the maritimes and Quebec, oil import subsidy payments would drop by $12 million. When the fight against inflation is so critical to our national well-being, when the need for imported petroleum threatens our balance of payments, and when excessive consumption diminishes our competitive position, such savings cannot be ignored.

Let me finally assure this House of two things. First, the government will be implementing additional energy conservation measures in the near future. These measures will affect many sectors and regions of our economy, but they are the least that we can do to protect our own position, to meet our international responsibilities and to avoid even worse disruption in the future. But, second, this House must be aware that the measures that have already been introduced and those that will be introduced to conserve energy represent only the first, immediate and easiest steps towards conservation.

In the longer term, this government will be coming forward with more important and far-reaching and, I must add, more costly measures. We are at a point where we must give at least as much attention to measures to reduce the demand for energy as we give to ways to increase the supply, and we must give equivalent consideration to investments in energy conservation as we have been giving to investments in energy production.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my heart goes out to the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Foster) for having been forced to read a report like that. I used to think of this as just the posturing of the ex-minister of energy, mines and resources, but now it is very clear from the fairy story we have heard this afternoon that it should be called "Alastair in Wonderland" instead of "Donald in Wonderland".

First, we have a representative of the Crown stand up in this House and say that after all that was said in this critical report by the International Energy Agency, we are only tenth on the list instead of seventeenth. That is the government's defence. Then he goes on to put forward the argument that in the national building code, which has been in existence for several years, there is a requirement that the thickness of insulation be doubled. The question we must ask, in plain honesty is, how many builders follow the national building code? Everyone knows builders follow the municipal building codes.

Second, as one of my colleagues to my left pointed out, there is no effort at all to put before the people who are building the homes what this will mean in cost. I think in respect of the government's highfalutin' report, which a year ago I described as a posture, one of the delay factors can be found in an article in one of our leading newspapers, the *Globe and Mail*, which writes:

> The office charged with developing the federal government's energy conservation program is finding that, in the words of research officer Brian Kelly, "the wheels of progress grind slowly."
>
> It's also had to forgo a research director for a while in the name of bilingualism.

I shall not say any more. In structuring up these programs, when the whole world is anxious to see all the nations reduce their demands for the limited fossil fuels

which seem to be available, we wonder about whether or not a person speaks French. That is about the size of it. I do not think the people of Quebec will worry for a month or two, or for two or three years, in respect of such an important program, when we need technically trained people to handle these things, if some people do not speak French.

In essence, what the hon. member for Don Valley (Mr. Gillies) said in plain, earthy terms is that approximately half of the energy produced and utilized in Canada today is wasted in our present system, whether it is in respect of the automobile, transportation, or whatever. The parliamentary secretary suggested that one of the types of waste is our failure to move, technologically. I think we are all aware of the inefficiency of the gasoline motor which we have had for the last 50 years. We know that changes will be made in less than ten years from now because of individual breakthroughs. But where is the federal government in this research? Is that part of the $1.3 billion? In no way!

● (1630)

There is another type of ignorance on the part of the government that is holding us back. I am referring to the fact that one of the reasons we are under pressure today on the supply of fossil fuels is that we have not run out of them. What we have run out of is proven, traditional fossil fuels in an oil well. We have 1,000 billion barrels of fossil fuels in the tar sands, or oil sands of Alberta and Saskatchewan, and if we hope to recover a mere 300 billion of that—which is several hundred years' supply—we cannot do it with the present method of financing. In the last two years I have put forward in the House financing techniques that would bring the cost of producing synthetic oil of higher quality than traditional oil out of these tar sands at $3 a barrel, instead of the $11 a barrel that this government, together with Ontario, the province of Alberta and the private companies are planning.

All I could get from the then minister of finance, after I had asked him to study carefully these proposals and told him that the large companies of the world were willing to come in with much lower interest rates if that type of financing were used, was that industry does not use this method of financing. What he meant, of course, was that Canadian business does not use this method of financing, because what Canadian business is going through is obvious to all of us. I am simply pointing out that the crisis we are supposed to be experiencing is not a crisis of supply; we have all the energy we need, if we applied to these problem the knowledge that the engineers and the scientists have, as well as ordinary principles of economics.

I want to move on to the subject of other forms of energy. I think it is well known that we have to stop this waste. Before I leave this subject, let me say one more thing. I will give an example of the type of waste which it would cost nothing to stop. I am referring to our provincial hydro systems which we have in all the provinces as well as in the territories. Not one of these provincial hydro companies has moved in the matter of management of peak loads. In the province of Ontario, the hydro company has asked the provincial government to allow them to raise hydro wholesale rates by 27 per cent, without mentioning how the cost could be held down by simply exercising peak load management.

In plain terms, out of 24 hours a day, in dense residential areas such as are found in Ontario and Quebec, only seven hours have traditional peak loads. If you take all those peaks out of those seven hours, at no cost to provincial hydro, you simply change your rate structure. There are half a dozen ways of doing it. You can charge half as much wholesale during the 17 hours, raise the rates during the seven-hour peak to double and let the individual manufacturer or householder decide whether he wants expensive power of cheap power. That would reduce by 20 per cent, approximately, the need for capital structures in place to provide the large reserve capacities to meet the peaks. This is elementary, fundamental economics which have been ignored because for years we have been getting along by stealing oil from producers at a few cents a barrel. Now that the producers are refusing to sell oil at the price the oil barons gave to them, and are asking for a price competitive with that of other fuels, we have to start thinking hard about the elementary, fundamental principles of economics.

I put that concept before the government, not because they have too much to do with provincial hydro companies but because they will have something to tell them, at least, if the people in the provincial governments are not able to advise their hydro companies how to do it. If you want to find an example of this, look at the tiny state of Vermont, only a few hundred miles from here, which has adopted this practice for over two years. It is a practice which is working. Everybody knows this, except the provincial hydro systems. I am putting this concept before the federal government for another very simple reason. Sometimes you have to tell the provinces how to do things without interfering with their constitutional rights. You have the right to advise them.

This brings me to my main point. I want to speak, now, about alternative forms of energy. Even though energy is largely in the field of provincial and private use, the function of the federal government is in research and development. In dealing with alternative forms of energy I will not bother with the exotic ones unless I have time at the end of my remarks. I just want to remind the House, again, that one of the great forms of energy that has always been available to man since he had knowledge of the wheel is the translation of the sun's power in the form of wind into electrical energy. We used to use this system on the farms many years ago, but farmers were glad to give it up because of the noisy type of propellers they had on the windmills; the generators were not of a quality which would stand up to high-speed operation, and provincial hydro systems operated along the road, so it was easier to turn on a switch rather than service the wind-power source.

The reason farmers did not like the wind-power source was that they had to save up excess power in high wind periods. I am simply suggesting to the minister, through his parliamentary secretary, that all this was 40 years ago. Today, thanks to the scientists of the National Research Council and of other countries in the last couple of years, Canada has pioneered in the development of a modern, sound and efficient windmill which runs with elliptical instead of circular blades. In any part of the country where

there is an average wind speed of ten miles an hour, a person can supply his own fuel in the form of electricity.

But, of course, you come to the fact that with these modern windmills you have storage to consider. Once again, the technical knowledge is there and batteries are not necessary any longer. You simply get permission from the hydro company in the province to hook up a windmill to your meter, and whenever you are producing more power than you can use for heat and light in your home, the meter runs backward and you get a credit. This is not something that is ahead of our time; it is going on today. Ontario Hydro has said publicly that it is technically possible. Also, it is actually happening in Wisconsin. There is no trouble with the phasing and voltage in Wisconsin; you can buy a particular type of box to make sure the phasing and voltage are correct. The only trouble that has arisen between the people who are using that system and the Wisconsin power company is disagreement over whether a person should be paid, for producing surplus power, at wholesale or at retail prices. I would think the solution of this problem would not create great difficulty and that we could consider adopting such a system in Canada. At the federal level, with all the research already done, we could suggest to private individuals that we have the knowledge available on how to produce wind power. It is really available only to those in the suburbs and farm areas, but it would add tremendously to the input of power into the very large storage system called the transmission system.

● (1640)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: The only way the hon. member can be allowed to continue would be by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Thank you, Mr. Speaker. I will not abuse it. I have probably been speaking too slowly. I mentioned something about wind power. There would be no cost to the federal government. I have spoken about heat pumps several times in the House. Full page ads have been used by Westinghouse and by Canadian General Electric, but what is the federal government doing to tell individuals in southern Canada—that means all of us south of Timmins—about how to use a heat pump and what it costs? It works the same as a fridge—heating homes and cooling them in the summer. Four hundred employees of Ontario Hydro are putting this system in the Nanticoke work area down in Norfolk county; they have been directed by their management to use this type of heat.

With a heat pump, the heat comes from the air for nothing; all that is needed is the power to run the fans, as is the case with a fridge. All this is technical knowledge which has been available to the commercial market for the last 50 years; but instead, we get all these booklets which have won awards all over the world for being slick pamphlets but which do not say anything except that we should save energy by pulling the blinds at night. Most people pull the blinds already. We are told to save energy by sleeping two in a bed. I keep coming back to that.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Or bundling, as my colleague, the hon. member for Peace River (Mr. Baldwin), calls it. I say that we should tell people the facts about heat pumps—who produces them, what they cost, how much can be saved, and where they can be obtained. The same applies to solar heating. I know the federal government this spring gave a grant of $54,000 to an engineer at Gananoque who had spent $2,000 on his home in taking some solar plates, to bring the heat down to his basement and storing it in columns of wax in a box six feet long, four feet wide and four feet in depth. He was told that that heat box could conserve enough of the solar heat hitting his roof to provide 70 per cent of his heat requirements. Last year, because the sun shone so much, he obtained 100 per cent of his heat requirements from the sun, having made a capital expenditure of $2,000 on his roof. Hon. members can examine it and tell the people across Canada about it. I could go out and talk about solar furnaces.

An hon. Member: Did you say $2,000?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Yes, $2,000 was the capital cost of the solar plates. Today, in the city of Ottawa, we are trying to produce a device for providing plates for $20 or $30 instead of the $200 or $300 which is being spent now.

I do not want to bore the House with all the details, with the excuse of speaking over my time, but I want to conclude with a fervent appeal to the government to read what is being published, not in "far out" magazines but in the most responsible magazines one can find. One example is "Pipeline and Gas Journal". I will just read a statement or two from it. Hon. members may recall that back in 1972 I asked the then minister of energy, mines and resources whether his department would look into its files to find all the requests for help and funding for research into biomass. There was not a soul in the House or in the gallery who knew what biomass was. Now they all know. That is a new way of saying, "That's a bunch of biomass". But biomass is not a joking matter. I refer to the October issue of "Pipeline and Gas Journal," the most prestigious journal for the industry in North America. This is not new, but it should be read:

> For example, at a yield of 50 tons/acre-year of dry biomass with a heating value of 6500 Btu/duy lb., about 169,000 square miles (a square that is 411 miles on each side) is required at an over-all thermal efficiency of conversion to SNG of 35 per cent to satisfy the U.S. natural gas demand.

Translated into language we can understand, this information was made available two years ago in the NASA report, but now it has hit the table of big business. A square 400 miles by 400 miles, the size of Alabama and Georgia, using a 35 per cent conversion factor, based on the research of the bureau of mines and others, could supply all the natural gas needed by the United States. In our area, a much smaller amount would be needed. I am simply saying, in plain and simple terms, that if we cannot get natural gas out of wells in the ground, the farmer can grow

it. Four hundred square miles is all that is needed, using only one-third of the energy produced, to produce all the natural gas needed by the United States. Quite frankly, that comes out of trees. One can grow pine trees and produce natural gas. However, I have quoted this in previous speeches and I should like to go on and give a table of values. These are all worked out. I know the sources.

According to "Pipeline and Gas Journal" of October of this year, if we consider the present price of natural gas as laid down in Toronto, the present estimated price of gasification of coal at site of $1.61 as the unit, the cost from these sources will be about half—73 cents to $1.17. I should like to read from a very distinguished Canadian magazine called "Executive". This is actually taken from the report of the Science Council of Canada, and it reads as follows:

—energy plantations may be able to compete with fossil fuel for energy generation ... In spite of our technical inability to harvest plankton efficiently, the energy from this source could presently compete with oil at $11 a barrel or so.

It continues:

Alberta's agriculture department says the fermentation of cattle manure could provide 6 per cent of the province's needs. The Science Council reckons that all the energy needs of the country's farmers could be met with methane produced from one-third of all crop residue and one-fifth of all animal wastes.

And so on. I wish to finish my remarks by saying that the biomass technique means low capital investment, high energy return and gives a final cost which is lower by half than the price we will have to pay for existing energy sources of nuclear energy, coal gasification, and so on. I suggest to the government that we cannot rush into this. In essence, we must make the knowledge of the scientists—incidentally, Canada has led the way at the University of Manitoba and the University of Waterloo, and now the University of Toronto is taking it up—gathered at all these meetings over the last year in Canada available and understandable to the public. I think our farmers and individual Canadians should have access to this information. People want to save money. Within the space of five to ten years we could increase the total energy mix 25 per cent to 30 per cent by using these alternative sources, at a price lower than we are now paying for energy.

● (1650)

If we can get this additional supply source by utilizing waste from the growth potential of our farms—and, as the hon. member for Don Valley said, it represents half of our total consumption—we should, as the century ends, not only get rid of any tendency to worsen our international account but we could be supplying our excess energy to the world as well as lowering costs here.

This is why I can support this motion which chides the government for not doing anything effective about the problem of conservation. I say, again, that conservation is not just restrictive and trying to control consumption; conservation, in its best sense, is the best use of our resources. That means recycling and that means the lowest cost. The government does not need to provide large sums of money, but just to tell individuals in Canada, provincial governments and municipal governments of ways to save money and ways to make money. I think that would be their most useful function, and then we would not have to move motions condemning them for doing nothing about conservation.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I should like to congratulate the previous speaker for bringing in the question of biomass. I was almost prepared to take that lightly, but he has almost persuaded me there is something in it. If there is, then that would be quickly found out by all nations of the world. We are wasting an awful lot of money drilling for oil in such places as the far north, and if biomass is going to supply us with energy, we should be getting after it.

I intend to discuss this matter of energy conservation, as referred to in the motion of the hon. member for Don Valley (Mr. Gillies), from two viewpoints. In the first place, I think we have to review the present tight situation in the world, and in Canada in particular. A great many voices and groups in Canada have raised quite a babel. These are the nationalists, the ecologists, the oil industry, the provinces rich and poor in oil, the householders or consumers, industry at large, and the sort of dissonance in the other energy source industries such as hydro, thermal electric, the gas companies, coal mining companies and their employees, as well as nuclear energy systems. Out of all this clamour—and, I believe, in some ways the clamour has been beneficial—we must try to find out how the shortage came about and how the conservation programs can help Canada through the lean period that is coming. I want to be more specific about that lean period later on.

I should just like to give a short review of the situation. Until comparatively recently, Canada was using energy, just like every industrialized country, in a profligate manner. One reason was the misinformation we had about our own petroleum reserves. Because they were potentially present in large quantity, we thought they were in our hands to use. We were ignorant of the exact amount and the expense of bringing them to market. Another reason for the overuse of our oil was the increasing world demand for energy, and other material resources as well, which was putting up the price. The quadrupling of the price of oil by OPEC in 1973 was almost a predictable next step, although in our opinion it was pretty cruel.

The Department of Energy, Mines and Resources was about the only branch of government awakening to the implications of the increasing world shortages of oil. They were not caught napping completely; I should like to emphasize that. Three months before the OPEC ultimatum, the department had enunciated phase one of "An Energy Policy for Canada." It saw the need for rapid planning for both a short and long-term policy for the future—50 years at least. The department realized that this country was faced with the need to use our energy resources carefully and intelligently. It realized that conservation, a new word in the energy world, would have to be the permanent policy of this government with regard to the consumption of petroleum and hydrocarbons—in fact, all kinds of energy.

What the OPEC action had done was to change suddenly not only energy use concepts but also to cause a crisis economically. The world was already suffering from deep-seated inflation caused by increasing demands, even from the emerging nations. They wanted commodities and energy, and these had been distributed most inequitably throughout the world. When the price of any product

strikes world markets with such rapidity, distribution and consumption problems are multiplied immediately. As we well remember, inflation jumped at once even in so-called stable economies. It has taken two years to understand and organize our own Canadian to the economic chaos in the world. This, in turn, has forced us to accept inflation as an evil which, in our case, can only be beaten by every section of our society voluntarily agreeing to the control guidelines on profits, prices, salaries and wages. However, that is another subject.

This rapid shock in 1973 forced the federal government to join with the provinces in taking a hard look at our problem in the light of our confederation framework. At that time, in 1973, we were in balance in oil; that is, we were producing enough for ourselves and somewhat more. We all know that the lack of transport from west to east forced us to import one million barrels daily to make up for our exports to the United States. Federal and provincial governments were all concerned about our need to develop our own resources, our need to transport oil from west to east, and also to try to keep Canadian oil prices equitable throughout Canada and, if possible, below world prices. We should be grateful that today Canadian prices are $4 to $5 per barrel under the world price.

A group of decisions was made after our federal-provincial conferences. Temporary transportation measures were taken for use inside Canada. Then extension of the interprovincial pipeline from Sarnia to Montreal was undertaken. The House will remember how we pressed into service ships going from British Columbia, through the Panama canal and on to the east coast. Apart from transportation costs, we thought Canada could enjoy one-price oil. Revenue from oil was to be properly divided amongst governments, producers and consumers and leave enough for oil industry incentives as well as exploration, research and development. When I speak of research and development, I mean tar sands techniques, gasification of coal and liquefaction of gas, as well as pipeline problems from the Delta and the High Arctic, exports of oil were to go at world prices, but Canadians would enjoy a lower price. The Energy Supplies Allocation Board would function early in our conservation program and thus be ready for future emergencies.

● (1700)

Do hon. members remember our agonizing, unnecessarily long debate on Petro-Can? That corporation has two special functions among others, those being to decide on the rate of development of Canadian gas and oil reserves and to buy oil for Canada at a favourable price. Furthermore, uranium nuclear plants were to be pushed, as it were, and interprovincial power exchanges and grids encouraged. In addition, the department established an office of energy resource development. A full inventory of Canadian resources in uranium, coal, oil and gas was undertaken. In spite of this, some hon. members allege that the government has done nothing. The government went so far as to establish an office of energy conservation which co-ordinates the activities of all organizations and institutions, governmental and otherwise, in pushing forward conservation principles and effects. The government has studied the National Energy Board's review of oil export policy. So hon. members can see that the government has done a great deal.

Some interesting facts have emerged from all these studies. Rates of development of all energy sources have been evaluated. We now realize that we can have moderate growth in demand, and supply our needs until the year 2000, but at great economic and some environmental expense. Even in the next ten years it will cost us $100 billion to supply our domestic needs. At present, energy development costs represent 3 per cent of our GNP. The future cost will represent double this figure, or 6 per cent of GNP, leaving less for housing, education and social development. It is obvious, therefore, that a conservation program has become absolutely imperative.

Our conservation program will reduce the rate of resource production and the volume of oil imports. We know that we will have a gap or hiatus in our own capacity with respect to oil and gas production in the early 1980s. That, as I say, is well known. Conservation measures will also reduce appreciably the insistent demand for capital and allow other needed developments. This program will allow our resources to last a great deal longer.

It is clear that conservation is synonymous with good management throughout the Canadian economy. It is said that if we can arrange for energy demand levels in 1990 to be 20 per cent below those projected in "An Energy Policy for Canada, Phase I," we shall effect savings equivalent to the cost of 12 tar sands plants, or over $12 billion. This can be accomplished by a 1 per cent reduction in our annual energy demand growth rate. I suggest that the figures I have mentioned merit consideration. It seems impractical to effect conservation by letting energy prices rise formidably, at will. Still, we know that in years to come we shall be forced to pay higher energy prices. We do not want to force our people to conserve merely by making them pay higher prices immediately.

The price freeze on energy has given us time to adapt to a new ethic in conservation, and to develop phased increases in costs. The government has developed a five-phase program, about which the parliamentary secretary spoke. It will divide responsibility between the four categories of user: households, manufacturers of plastics and fertilizers, industry in general, and governments federal, provincial, municipal, etc. Each user in these four categories accounts for 25 per cent of our total energy consumption.

Let me say a word about each phase of the program. Phase one is the in-house, federal government conservation program. The federal government itself is a significant user of energy and is making its contribution by saving and setting an example. It is revising its guidelines regarding the heating, lighting and cooling of government buildings. I know some hon. members are shocked to see lights left burning all night in some government buildings. You cannot switch off those lights as such buildings were planned and built long before an energy shortage was envisaged. The government's new code will deal with the efficiency of steam plants, and there will be some building changes. In addition, the government will use smaller automobiles and impose a 55 miles an hour speed limit on its own cars. It will increase the use of recycled paper. Incidentally, it is interesting to note that conservation

methods practiced in one building have already saved us $100,000.

Under phase two, consultations are being held on a continuing basis with provincial governments, industry and labour. They are all being encouraged to institute conservation programs of their own. Provinces are being asked to reduce highway speed limits and revise gas and electric utility rate structures, to favour lower consumption. Last April we met with industrial leaders and urged each firm to apply individual conservation programs. I think they are trying to do this. Under phase three, a program of advertising was instituted in daily and weekly newspapers, radio and television, as well as in school brochures and booklets.

Phase four involves energy conservation measures consistent with elimination of waste and promotion of energy efficiency throughout the economy. This is to be done by imposing certain standards and regulations, tagging appliances with hints for efficiency and bringing in better insulation standards which were adopted by CMHC. It is proposed to take the tax off insulating materials; I do not think this has been implemented so far. In addition, I believe there is under way in the Department of Public Works a program involving energy systems analysis, or computer programs regarding federal public buildings. In addition, phase four envisages a program of consumer information on standards, an attempt to change certain standards and the introduction of certain tax measures.

We are studying questions like railway efficiency vis-à-vis the use of energy. Actually, the studies were given very wide terms of reference. As I say, we are studying the efficient use of energy in connection with freight rates and, as I mentioned just now, the use of recycling and packaging, the training of inspectors, and recommendations for use of returnable beverage containers. Provincial governments and municipalities were to deal with outdoor lighting, licence fees, speed limits, etc. They were admonished to institute programs in this regard as soon as possible.

I now come to phase five. This is a program stretching far into the future. Society, since the industrial revolution, has been based on production and consumption. It will be our task to change that emphasis and to emphasize services. There is now to be a premium on quality, not quantity. A change is required from raw competition to sharing, even to compassion. This will be the new emphasis. We must all change our allegiance and become a conserver society. This will mean that our new economic realities will dictate not only new domestic policies, but new international policy. The energy difficulties we face in Canada are not insurmountable, but solutions will require efforts on the part of all Canadians in the realms of cooperation, conservation and elimination of waste.

● (1710)

Mr. Jim Balfour (Regina East): Mr. Speaker, it should be clear to us now that Canada will not be able to float, unscathed and undisturbed, above the energy crisis of today and of the future. Like the other industrialized nations of the western world, we are on a collision course with the hard truth that we must import energy to drive our cars, run our industry, heat our homes and generally continue to sustain a lifestyle to which we have become accustomed. This year Canada will be a net importer of oil to the extent of approximately 100,000 barrels a day. It is a hard fact that Canada will not be able to satisfy domestic requirements with domestic production even when in 1981 the tap to the United States is effectively turned off.

Assuming the National Energy Board's reported recommendations that the export quota be reduced to 500,000 barrels a day from 750,000 barrels a day, the deficit of the oil subsidization program will be about $400 million. There should be no doubt that for the future Canada's balance of payments position will be gravely affected by increased oil imports required to satisfy an ever-burgeoning demand—a situation which will be gravely exacerbated by our inability to sustain any substantial balance of exports to our neighbour to the south.

Canada's increasing demands for energy show no sign of abating. Indeed, in 1974 Canada's consumption of energy rose by almost 8 per cent, compared to a fall of 2.8 per cent in United States consumption and 1.8 per cent in western European consumption. Canadians are also among the least efficient users of energy in the world. We rank second only to the United States in the consumption of energy per capita. In addition, statistics show that Canada requires more energy to produce $1 of GNP—national income—than any other major industrialized nation in the world.

We use almost twice as much energy per capita as Sweden, whose northerly location gives her a climate similar to our own in many areas. My colleagues have already, and will continue to do so, commented on this government's feeble response to the conservation problem and I do not intend to dwell further on that aspect of today's topic. Instead, I think it is important that we question what this government is doing to ensure that exploration for more needed resources is encouraged: in short, the problem of security of supply. Unfortunately, Mr. Speaker, the response to that question thus far has been negative.

The fact of the matter is that the government has discouraged exploration through its regressive tax regime, its failure to put in place ground rules for frontier exploration, and its unsettled policies and ad hockery in other areas, all of which have served only to discourage risk-taking and resource development investment in this country. To illustrate these points, Mr. Speaker, I need only point to the June 23 budget which retained the most regressive measures of the budgets of May and November, 1974, namely, the denial of a deduction from income of provincial royalties, mining taxes and similar charges, the implementation of the earned depletion scheme and the 30 per cent declining balance limitation in respect of exploration and development expenses.

I think it is important to elaborate to some extent on what the denial of a deduction from income of provincial royalties, mining taxes and similar charges, really means to the industry. In layman's terms, it disallows as an expense to oil, gas and other mineral producers every penny of the stiff royalties and their equivalents being taken by the provinces. This double-taxation measure levies income taxes on resource companies for money they do not receive. It drains away a sizeable part of the cash flow left to Alberta producers after provincial royalties, and leaves British Columbia and Saskatchewan producers

in an even worse position than before the OPEC price boosts.

Alberta has wisely reacted with moves that effectively reduce its royalties, giving back to producers the provincial share of the federal levy of income tax on royalties while providing expanded incentives to encourage new exploration and development in that province. British Columbia and Saskatchewan have made minor concessions but continue to be far too greedy to attract additional risk capital, and indeed the latest initiative by the NDP government of my province of Saskatchewan, in relation to the potash industry, effectively forecloses any significant resource or industrial investment from the private sector for the foreseeable future.

Restricted production and the provincial and federal royalties and tax levies have reduced the tax flow of Canada's producers by hundreds of millions of dollars this year, thus restricting the availability of capital for exploration and development. With the investor climate so bleak, reinvested and new dollars are falling far short of our needs if Canada's energy security is to be achieved. The oil and gas industry badly needs an increase in its net take after royalties and taxes to fulfil its task of replacing and expanding known reserves. Existing policies indicate more than anything else that this government is more interested in wrangling with the provinces for bigger pieces of the resources' pie than it is in providing an atmosphere of economic stability and profitability for this very important industry.

Much has been written and said about the tax measures foisted upon the extractive industries in Canada, the petroleum industry in particular, and the failure to achieve a sensible and lasting policy may well do irreparable damage to this vital segment of the Canadian economy. As stated by the then federal minister of finance:

> The over-all Canadian tax policy must have regard for the position of the resource industries in terms of international competition and in terms of the financial resources they require to bring forward the supplies needed in the years ahead.

I concede, Mr. Speaker, that the answers are not easy, but it does seem clear that both the petroleum and mining industries are being overtaxed. Within the short space of three years the resource corporations of Canada have moved from the lowest to the highest taxed segment of industry and appear to be the victims of the worst federal-provincial squabble over tax revenues in many years. The problem is a deepseated one which will require a change in outlook on the part of all concerned and a determination to do what is best for Canada, rather than squabbling like little boys.

Apart from the question of royalty or tax rates imposed by the provinces, the problems of the extractive industries have been complicated by the decision of the federal government to disallow all such payments in computing income for federal income tax purposes. Such charges, in moderation, are a proper deduction for the extractive industries as they are, in effect, part of the cost of acquiring the raw resources. As such, they are no different than the cost of goods to a retailer or the cost of raw material to a manufacturer.

The only discernible difference is that the amounts are paid, not to individuals or corporations who would be taxable upon the receipts but to provincial governments which are not taxable. This was not a problem in the past when royalty or tax rates were seen as a reasonable commercial charge for the extraction and consumption of non-renewable resources. It is a problem when the charge ceases to be a commercial levy and becomes an income tax, in effect, upon profits. While one can sympathize with Ottawa's predicament, it nevertheless seems that a complete disallowance of all payments and the like which find their way into the provincial treasuries is wrong in principle. It is wrong because a deduction would be allowed if the payment were made to private enterprise. It is wrong because the cost of supplies is a proper deduction from income. The fact that the resources are owned by the provinces does not justify a different treatment except to the extent that the provinces are playing games.

The provinces themselves are also wrong in the sense that they have attempted to collect an income tax from both the industry and the federal government in a disguised form and, in some cases, seem intent upon nationalizing the industry. However, one cannot help but wonder why, with the benefit of historical and extraterritorial data, a mechanism could not have been developed whereby provincial taxes and royalties, including such stratagems as payments in kind or sales at less than market value, would be allowed as a deductible expense for federal income tax purposes to the extent that they did not exceed certain limits. While some study would have to be undertaken, it does not seem unreasonable to suggest that a limit based upon the market value of production, or the profit therefrom, would not be too difficult to develop. After all, some resources are privately owned and commercial royalty or profit-sharing agreements do exist.

● (1720)

Other countries have shared the same experiences or problems and it should not be too difficult to develop an acceptable formula with regard to past practice in Canada and what is sensible in terms of current conditions. Such an approach would have been a sensible compromise, would have allowed the provinces a reasonable return for the extraction of non-renewable resources, and would have allowed the industry sufficient room to get on with its job. It is to be hoped that the provinces will now re-examine their taxation and royalty policies with a view to ensuring that all our resource industries can remain economically viable and produce benefits for all. It may be a tall order, but failure to do so could be disastrous to the Canadian economy.

It is clear that the measures contained in the June budget were designed primarily to force the provinces to back down on their royalty demands and allow the federal government to appropriate a bigger share of revenues from resources income. But, Mr. Speaker, because the government is so anxious to stick its finger into the pie, the chef has cut back on pie production. Overtaxation, lack of ground rules for exploration north of the sixtieth parallel, and ad hockery in policy-making generally has created a milieu in which risk-takers will simply decline to undertake necessary risks. The western Canadian drilling industry will be hard pressed to reach even the level of work achieved in 1974. The number of wells completed during the first nine months of this year was almost 5 per cent

below the same period in 1974, and, with continuing emphasis on shallow gas plays, footage was down 9.4 per cent. The tally for 1975 is expected to be only 3,800 wells and 12.9 million feet of hole, compared to 4,070 wells and 13.7 million feet of hole last year.

Recent statistics indicate a total of 2,849 exploratory and development wells were completed in western Canada, including all areas north of the sixtieth parallel, in the first three quarters of 1975, for a decrease of 138 from the first three quarters of 1974, while footage was more than one million feet to 9.6 million feet. The disappointing decrease in activity was reflected in the average rig count, which fell to 127 units for the nine months—a drop of 18 per cent from last year. This represents a utilization rate of only 46.7 per cent of the 272 rigs available for work. The number of rigs working in eastern Canada—Quebec, the Atlantic provinces and offshore—averaged three, compared to four last year.

The statistics speak for themselves. Both development drilling and wildcat drilling activity is substantially reduced from last year. In short, Mr. Speaker, thanks in large part to the policies of the federal government, Canada has substantially less exploration for desperately needed sources of energy at a time when substantially increased activity is required. The task of developing new energy resources deserves, and should be given, the highest priority by the federal government and appropriate policies and regulations put in place to ensure that the necessary capital will be available and the necessary exploration and development work carried out as rationally and expeditiously as possible.

As indicated many times by various sources, between now and 1985 the petroleum industry in Canada will have to spend some $50 billion to find and develop new resources and to install necessary transportation systems. Additional billions will have to be spent on the downstream side to expand refining capacity and product distribution systems. Where is this money to come from? Well, Mr. Speaker, it will have to come from several sources, including existing companies' internal cash flow, the attraction of investment and cash flows from other non-petroleum industry companies and from a multitude of private investors both within and outside Canada. This magnitude of investment, however, is contingent on a financially healthy petroleum and natural gas industry and the recognition by governments of the exceptionally long lead times and extremely high risks involved in this industry. Co-operation, rather than confrontation, with the industry and the provinces is required.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Richmond (Mr. Beaudoin)—Industry—Footwear—Request for probing of imports; the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Date of decision on bill to implement recommendations of committee on war prisoners' and widows' pensions.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO CARRY OUT EFFECTIVE ENERGY RESOURCE CONSERVATION PROGRAM

The House resumed consideration of the motion of Mr. Gillies:

That this House regrets the government's failure to carry out an effective energy resource conservation program and, in particular, calls upon the government to answer the criticism by the International Energy Agency that "there appears to be a substantial gap between principle and practice . . . that the (Canadian) cabinet appears to have accepted the goal of conservation without recognizing the need to implement the goal with specific actions."

Mr. Balfour: Mr. Speaker, other areas of the world are competing for development dollars and there is every evidence that Canadian technical expertise and personnel are being lured away by greener pastures in the United States and elsewhere. I call upon the government to encourage, rather than discourage, exploration and provide a suitable operating environment within which the industry can perform its function. If this is not done, the people of Canada will be the losers.

Mr. Frank Maine (Wellington): Mr. Speaker, first I should like to congratulate the hon. member for Don Valley (Mr. Gillies) for bringing this motion to the attention of the House and to the country generally. There is no question that all Canadians need to be more aware of the energy situation and of the options open to us. Conservation is unquestionably a major aspect of these issues. Let me hasten to add that I am in complete agreement with the hon. member for Roberval (Mr. Gauthier) who pointed out that the motion before us is too limited. Conservation is only one aspect of the multivariable energy program.

To put conservation in perspective I should like to say a few words about the total energy program. In the short term there is little doubt no time exists for research and development to be done. We shall be obliged to use existing materials, gas and oil, along with other technology which is readily available. I refer to nuclear fission, the CANDU reactor. Its technology is available; it is a matter of capital. Coal is the other source of energy in the short term. It is readily available and the economics are favourable here. We have the technology to convert coal into coke, a by-product of the steel industry, and into electricity through thermal plants. The difficulty here is that of mining the coal and transporting it to the marketplace—again a matter of economics.

In the medium term, when we lose self-sufficiency in oil supplies we shall be turning to the tar sands and frontier sources such as the Arctic, offshore supplies, and so on, in an economic framework substantially different from that which exists today.

● (1730)

In the long term, and I mean 25 years to the year 2000, we will see either solar energy or fusion energy being harnessed, and we should be backing both those areas now to make sure we have those answers in 25 years.

The other two programs are really stop-gap measures to buy us time and long-term answers through either solar or fusion energy techniques. The other novel techniques mentioned in the Science Council's report on Canada's energy opportunities, which was published last March, really will not make a major contribution to our energy requirements, whether they be bio-mass, geothermal, tidal, or power from wind or fuel cells. It is really a red herring to give them undue precedence in our order of priorities.

In buying time for long-term solutions there is no question that conservation is a major ingredient, but it is only one factor in the over-all problem of energy research and development across the whole area I have outlined.

It was a great disappointment when I saw in last June's budget that $42 million had been cut from the energy research and development program. I can understand the reason for this, with the major problem facing us today being one of inflation and the great clamour from the public to cut back on government spending. There is no question but that in the short-term we have some problems to face in the inflation era which are going to affect our energy research and development programs. I am not happy with that, but I understand it. I feel there is no question at all but that we must lick inflation and lick it now, because any money being spent on or earmarked for energy research and development will have little effect as inflation eats into its value.

So in the short term we see the programs not going as fast as we would like or as fast as we deem necessary. I think we will see in the next budget, coming up next spring, a real blood bath as far as restrictions on and cutbacks to government spending are concerned. The public is asking for them and the public is going to get them, but the public is going to be unhappy about this as the public was unhappy about the ten cents excise tax on gasoline last summer. However, as I told my constituents then, that is only the first step. There are many more steps as we slowly edge our way up to higher energy costs in the future. I have told them not to scream about the fact that they are going to need more money to pay for higher gasoline costs. That is not the message.

The message is that if people are going to continue wasting energy as they have been doing, they will have to pay more for it. If they do not want to pay more money for energy then they had better conserve in their utilization of energy, whether it be by driving at slower speeds, driving automobiles with more efficient engines, or travelling less mileage. The option is theirs and the message is clear. They will have to conserve on the use of energy. The time of cheap energy has gone, and we are moving into an era of more expensive energy.

It is this whole change in attitude that has to come in respect of energy use in Canada. When we were told on Thanksgiving Day that our lifestyles are going to be wrenched, this is the translation of that phrase into real direction. We have to use less energy, or face the consequences.

I feel this is not in the direction of government intervention by legislation, or by interference in the private sector, but rather a program of using the tools of the free enterprise system. These are the ones we should use in the supply and demand picture. They are the economic tools that were mentioned earlier by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton).

I disagree strongly with the comments of the hon. member for Don Valley that the government has done nothing. There are several things that have been done. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) suggested that we should use taxation further to encourage people to use smaller cars in the transportation sector. That is exactly what has been done with the ten cents excise tax on gasoline. It was purposely meant to do that; that is, discourage the use of gasoline. Industry was exempt from this taxation.

An hon. Member: It was meant to increase revenue.

Mr. Maine: It increases revenue to pay the bills for a one-price oil system in Canada. This system is intended to buffer the shock of higher priced energy we will be faced with in the future. The Liberal government has tried to ease us rather than shock us into this precipitous ascent in the price that other nations in the world have faced, as well as the precipitous ascent in price resulting from inflation.

I think it is a reasonable philosophy to adjust our economy slowly rather than wrench it overnight as was done in the case of nations that had to go to oil prices on a world scale immediately. So I say that the ten cents excise was a first step, but there will be more steps as we go to commodity prices for energy.

Electricity is going to be the key. The price of natural gas has already started to rise, and oil prices have gone up and are going up higher in the future. We will soon have a commodity situation in which there will be no artificial economic incentives to use one form of energy as against another. This will depend on a matter of geography rather than economics, and this will dictate the source of energy being used. The gas and oil companies which are screaming about what is being done in this regard had better realize the need for us in the long term to go to a situation where we are not providing artificial incentives in the use of one form of energy over another.

In respect of the matter of the government having done something about this, I should like to mention the Science Council's report on energy use that came out last March, its report on energy conservation that came out last July, and more recently, within the last few weeks, the council's publication called "Conserver Society/Notes". Let me quote one paragraph from that report, which shows not only the concern of the Science Council in its attempt to advise Canadians across the country but the fact that this is not just the most recent effort of the council. The paragraph states:

The Conserver Society was a notion that originated with the Science Council of Canada and was set down in our 1973 Report on National Resources Policy. We are proud of its authorship and are ready to argue its merit. It is not a concept of futurology and it is not "zero growth". Rather it embodies the central principle that Canadians must become more responsible than we are now about the use and conservation of our resources. We recognize that many critical materials are finite in supply and we seriously question the continuation of unrestricted consumption of them.

Further, as proponents of the Conserver Society, we appreciate that decisions so frequently made today in pursuit of short-term goals may incur serious, and perhaps unacceptable, long-term social costs which should be analyzed before they are accepted.

In our opinion, these views are practical, down-to-earth and relevant.

I feel that we can aptly demonstrate that something is being done. It may be slow, but all things of government are slow in this democratic process of which we are so proud. There is more to be done, and one of the things is to get the Canadian public to appreciate the changes that have to be made. For that reason I am very grateful for this debate today in that it enables us to do just that.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I am always pleased to participate in a debate that has energy as the key point, and I am pleased with the contributions made by hon. members on all sides of the House. The hon. member for Don Valley (Mr. Gillies) is to be congratulated for moving this motion and for the kind of contribution he has made, thus setting the standard for the debate as exemplified by the speeches which have already been made.

Coming from the Maritime provinces I am pleased with this opportunity of speaking because I come from one of the areas in Canada where the energy resources of the nation are critical to the people not only today but in the days ahead.

All governments have endeavoured to react to the world situation as far as industry is concerned. Governments here and in many other areas in the world have not been able to react in the way we anticipated. As the last speaker suggested, this may be because this is a democratic country in which governments move much slower than we would hope, and certainly much slower than the governments of other countries involved, such as Russia, China, and others on this globe.

From an Atlantic provinces' point of view I must say it is absolutely essential that we obtain guarantees from the government that the artificial economic disparities that exist today are not going to worsen. Our experience has shown that this results in a much heavier burden being placed on the business community, particularly because of the higher cost energy we have today.

● (1740)

I think members of parliament should assume that the people are as lethargic in many ways as governments appear to be, and should set an example by telling the people we realize there are very complicated and difficult days ahead so far as energy resource development is concerned, and that we are endeavouring in whatever way we can to react to this in an effort to put in motion those schemes which will give a greater assurance to the people of the areas that will be affected by the high cost energy syndrome that exists in the world that they will be provided with energy in all forms required, at a cost which will allow the industries which exist to be attracted to the areas of regional disparity in a continuous way, so that we do not lose the forward momentum that has been developing recently to overcome some of our problems.

I should like to talk about two things in this regard. One relates to a national power grid. The second relates to the development of power from the Bay of Fundy tides. This is not something new or different. The Minister of National Revenue (Mr. Cullen) shakes his head. I am sure it is not because he does not agree with me. In his career he has been a strong supporter of Fundy tidal power.

I am determined to bring once again before this House the potential that is available from the tides of Fundy. I think it is very important for us to look at one of the many problems which face this nation so far as the conservation of energy is concerned and in guaranteeing to people in all parts of this nation that they will have access to resources which may be available only in some areas of the nation. In this regard I am speaking about a national power grid.

I wish to pay tribute to the right hon. member for Prince Albert (Mr. Diefenbaker) who a long time ago, in 1959, made a speech in Kitimat, British Columbia, in which he put forward the guidelines that he believed should be followed to provide a national power grid. He gave the responsibility to the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) at that time to initiate discussions with the various governments in the country so that we might develop a national power grid. At that same time the then Prime Minister and that minister put into place an agreement with the Maritime provinces that produced an inter-connecting grid in that part of Canada which is of inestimable value so far as the power users of that area are concerned.

It is pleasing to note that the present government is now moving forward on that particular inter-connection so that it might be connected to Prince Edward Island, Newfoundland and Labrador.

An hon. Member: It is about time.

Mr. Coates: Yes, I would have to agree that it is about time, but I am not arguing about things that are happening now. I am pleased that they are happening. I say thank God this is happening. This is vitally important to the Atlantic provinces. I would have liked to have seen it happen sooner.

I note that the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Foster) not too long ago made a speech somewhere in this country which I was pleased to read, in which he spoke of a national power grid and the things that would have to be done so that it could come about. I should like to say to him I am pleased to see that he and members of his department have finally dusted off a great deal of the work done by the hon. member for Qu'Appelle-Moose Mountain to bring about a national power grid.

I must admit that this was not at that time as exciting a venture to some provinces, especially Ontario and Quebec, as it is today when they see a different situation than that which confronted them in 1963. I accept the fact that sometimes governments can move only as fast as the part-

ners with whom they are involved. I know the hon. member for Qu'Appelle-Moose Mountain had problems in this regard concerning the package at that time. However, I reiterate that I am glad to see that the government is finally moving in a direction that will assist materially in the conservation and provision of energy as well as in its movement from one part of the country to another.

Now I should like to turn to the matter of Fundy tidal power and the most recent report that has been produced. I believe this report was produced in 1974. It recommended a number of things. I must say I am pleased that my leader, when the first report was undertaken in 1969, was a partner to the undertaking as the premier of the Province of Nova Scotia. That report which came down in 1969 was called a review board report. Since then it has been updated by the review board, and I hope it will be further updated by the report which I understand now has been signed and which I hope is being pursued with a degree of vigour that was not evident between September, 1974, and recently when the agreement was signed.

I must say I was shocked because the information given to me in the House of Commons by the then minister of energy, mines and resources, the present Minister of Finance (Mr. Macdonald), was not in keeping with the information presented to me by the Secretary of State for External Affairs (Mr. MacEachen), who happens to be the minister from Nova Scotia, and whom I asked whether certain things would be set in motion in relation to some of the recommendations contained in the September, 1974, review board report. I was told in the house of Commons that progress was being made on the new study that was being recommended, and the Secretary of State for External Affairs told me that the agreement had not even been signed for the initiation of the new study about which I had written the Secretary of State for External Affairs.

There is no way anyone can tell me there was not a lot of double talk in what I, as a member of parliament from the Maritime provinces, which are desperately interested in seeing this further study undertaken, received from the Minister of Energy, Mines and Resources and the Secretary of State for External Affairs who in effect indicated that there was not even an agreement signed among the participating partners. That is not the way in which we will get things done in this country, and if the government is condemned for the lack of seriousness which it displays about the energy crisis which exists in this country it will be condemned for the sort of thing that was happening to me and to the people in the Atlantic provinces who were being led astray by the statements made in the House of Commons. It is a shocking thing that upsets the hon. member for Don Valley and every other member of the House who is seriously concerned about this energy crisis and about our potential energy resources which are not being tapped and realistically investigated, appraised, and explored so that Canadians can be assured that they will have the energy required.

● (1750)

Let me give you an example of the frustration that develops when one talks to members of the government in an endeavour to see something come about that is vitally important to the future of the Atlantic provinces. I have here a report entitled, "Bay of Fundy Tidal Power Review Board—Preliminary Reassessment of Feasibility of Tidal Power Development in the Bay of Fundy", which was issued in September of 1974. It is a big title, and the problem in getting the report under way was as big. As page nine of the report the following is stated:

[Mr. Coates.]

> Consideration will be given to the possibility of developing smaller capacity sites whose output could be absorbed in the Maritime systems, either in the raw or retimed energy form.

What that means is that the government could move forward on smaller projects at this time, and I assume that the smaller projects we are taking about would be in Shepody Bay and Cumberland Bay basin as compared with Minas Basin, which would be a much bigger undertaking and which presents many more problems associated with the harnessing of power in that area. The report goes on to state:

> As well, large capacity sites, whose output would primarily have to be transmitted, at least initially . . . will be examined.

It is on reading page 13 of the report that I discovered what was really happening so far as Fundy tidal power is concerned. I wrote to the Secretary of State for External Affairs because it was my belief that the proposal contained in subsection (i) of section 7 of the report on page 13 should be carried out in my constituency. The proposal contained in subsection (i) states as follows:

> The Review Board suggests that the studies be contracted and that a project manager under the direction of a management group would undertake co-ordination and control of the activities of the study contractors, integrate the results of the separate studies and prepare the necessary reports. The estimated cost of staffing the small office envisaged is of the order of $300,000 for the two-year period.

It was my belief that we had located at Amherst an organization that can do the work that is being proposed in this recommendation. It is called the Resource Management Service and it is operated under the aegis of the Council of Maritime Premiers. Formerly it was operated by the Department of Regional Economic Expansion and prior to that it was under ARDA, and even prior to that under the MMRA.

That particular organization has tremendous facilities. It is financed and operated by the three provincial governments. It could put forward the data that is required to produce the requirements suggested in this report as being necessary before a final decision is made on the development of power from the tides of Fundy. I believe that if the office were set up at Amherst there would be a great deal of expediency provided to the government if it were really interested in getting an answer to the questions that were being asked in the report.

That was when I wrote the minister to ask if he would meet a delegation, or assist me in having a meeting with the Minister of Energy, Mines and Resources so that he could meet a delegation from that community to point out to him what was available in this facility in the town of Amherst. What happened? The minister wrote me back, not only not assisting me to secure such a meeting but saying that I was a little premature because there had not even been an agreement signed, after the Minister of Energy, Mines and Resources had for months been answering questions in the House that things were proceeding favourably.

That is the kind of double talk that people in the Altantic provinces hate to hear, because they discover that the government at times is not really serious about the energy problems facing the country and that people will be saddled with the same problems next year and the year after which they are saddled with now because of lethargy toward and disinterest in Atlantic Canada, of which we accuse the government so often. Only if we get the country on the rails and get the energy problems on the way to a solution can we hope to overcome the problems we face today. I hope that this debate will help to spur the government on to produce some of the resources in our country so we will know tomorrow that things are a hell of a lot better than they are today.

Mr. Peters: May I call it six o'clock?

Mr. Deputy Speaker: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock I do now leave the chair until 8 p.m. tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I believe this is one of the better debates we have had on opposition days, and I think the House owes a great deal of thanks to the hon. member for Don Valley (Mr. Gillies) for having introduced the subject. I am not too impressed with government representatives who have indicated that the government has done a considerable amount in the field of conservation. That does not appear to be the fact. It is generally understood by most people who have studied the problem of energy that if conservation is not embarked upon we may be in serious difficulty.

I had the opportunity earlier this afternoon of talking to two gentlemen from the city of London who indicated that things were pretty dull in here and that this is a pretty dull debate. That was their impression, and I think it is the impression of this country as well. They asked me what the debate was about; I explained it to them, and they said there should be more interest in this subject. However, they listened for some while and did not find the subject to be of interest.

The fact is that we in this House are not sure whether there is a shortage of petroleum and fossil fuels as an energy source. A few years ago companies were indicating that we would have gas and oil for the next 100 or 200 years, and that there were large reserves, particularly gas reserves. Yet very shortly after that those same companies indicated that a shortage had developed in Canada, and that a shortage was developing around the world. No matter what we in this House think about it, the general public in Canada does not believe there is an energy shortage. Canadians believe that they have been hoodwinked by the oil companies and that the oil companies have decided to take it easy with regard to producing fossil fuel for our energy requirements because they believe "the seven sisters" have time to wait and, if they wait, they will receive a bigger return on their investment.

I wonder, and I am sure other members wonder, if we in this House really have the ability to ascertain whether there is a shortage of fuel and if there is, what the timetable may be and what we can do about it. Every time I read a report of the Energy Board I find that it is not the report of the Energy Board—it is the suggestions made by the oil companies which tell the board what our potential is, what our long term and short term forecasts may be. The Energy Board does not seem to have the ability to look at those figures and ascertain whether they are correct or just ballpark figures. For that reason the general public in Canada does not believe there is an energy shortage. As long as the public does not believe there is an energy shortage it will not take the subject very seriously. The government does not take it very seriously either. It has established an energy conservation board, but last year the budget provided it with only $1,300,000. Most of that money went into advertising.

We heard the minister make such silly statements as, "Pull down the blinds to keep the house warm; put on a sweater; and drive your automobile at a slower speed." If there really is an energy shortage then some of the things which have been suggested today should be given top priority. I am not sure there is a shortage, but if there is, and if we do not do anything about conservation on a long term basis are we not fiddling while Rome burns? Are we not being irresponsible by not ascertaining for ourselves whether there is in fact an energy shortage or whether we are being hoodwinked by the energy experts. Who in this country are the big seven oil companies?

I listened with a great deal of attention and interest to the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) outline some of the alternative sources of energy we should be investigating, and it almost sounded like Buck Rogers in a Science fiction novel. Those other sources of energy have been investigated and developed to a considerable degree.

I am sure that without much effort most of the people in this country could find for themselves an alternative source of energy which would allow them to conserve probably 50 per cent of the energy they are now consuming. If people will do this, then it behooves corporations like Ontario Hydro to get off the boob tube, to start conserving, and to provide methods of conservation rather than advertising the use of more energy for this reason or that.

All energy suppliers are advertising. Every day oil companies are advertising their wares, çompeting with other companies which supply exactly the same grade of oil or gasoline. They are still being allowed to expand very rapidly the number of outlets each company has, rather than making a decision that one community will be served by one company and another community served by another company. There is no need for duplication. In effect, much of the capital costs they have been putting into real estate in the last ten years could be brought to an end, with resultant savings.

● (2010)

In reading the report, Madam Speaker, you no longer hear of the tertiary methods of reclaiming oil from our oil wells; you only read of the vast amount of money that would be necessary if we are to expand our industry into the undeveloped areas. Very little is said about the things that can be done to produce more oil from the fields we already have.

A great deal has been said about the tar sands and how valuable they may be in the future. We all know there is a large reserve there, and we also know it will take large amounts of money to develop the projects that are outlined in the projections that have been made to the end of the century. If it is not necessary to undertake these huge expenditures at the present time then we should not do so. I think it behooves the government to find out exactly what our reserves are and what our needs will be, rather than letting the industry make the decisions about the resources we have and what will be done with them.

It has been said that we have assisted in the development of smaller cars and have developed out tax structure from that end. I do not think it is that there is a greater saving on a small car than on a large car. In my province there is a tax concession if the car is American made, but there is no good small American car; they are inferior and the automobile companies made them that way—the Maverick was no good, the Pinto also, and the Firenza was no good. Every one of these cars was thrown together.

Mr. MacDonald (Cardigan): You are losing votes.

Mr. Peters: I do not really care. If that is the way I have to get votes it really does not interest me.

Some hon. Members: Oh, oh!

Mr. Peters: I have always considered the voters who vote for me to be reasonable people. If they cannot tell a bad car from a good one then they will continue to buy bad cars and vote some other way—they may vote for my opposition.

It is a fact, and most hon. members will agree, that the three or four small cars developed in this country have been poor cars. They have been thrown together. Ford has a small car on the market, the Capri, but it is an imported car. I doubt if you could buy a Capri in Ontario and get the tax rebate. It is not an American car but an imported one. I do not think you will get the rebate on the Colt which comes from Japan, nor on the Mazda which the Ford company is importing as the Courier of its truck line. Many of these cars coming from Europe and Japan are well engineered and designed, and have high performance. They sell at a high price in this country, and in many ways are not competitive with the big American car. The reason, of course, is the currency of those countries in relation to ours.

I strongly urge the government not to consider buying the Bobcat just because it is an American car. It should buy it simply because it is a good car, not because it is an American car that has four cylinders. The government has not given any assistance to the development of a small car in this country, yet a car with four cylinders will obviously use less gasoline than one with eight cylinders.

[Mr. Peters.]

When I studied internal combustion engines in technical school I learned there is a ratio determining the amount of air to the amount of gasoline which takes the form of combustion. This can be varied by compression ratios and temperature ratios, but you must have so much gasoline for the amount of air that goes into those cylinders. If there are eight cylinders they take twice as much as four cylinders.

I think it is foolish to expect the general public to believe we are serious about conservation when we have not done much about it. The hon. member for Qu'Appelle-Moose Mountain mentioned high, low, and peak periods. There is a very expensive project in my area which operates for a little over one hour each day in the peak period. The plant cost approximately $50 million and was built to supply power for just one hour a day. That seems a very expensive proposition.

Mr. Munro (Esquimalt-Saanich): A national grid.

Mr. Peters: I am all for a national grid. It seems foolish to allow the province of Quebec to look all over the world for some way of getting rid of the power that will be generated by the James Bay project when there will be a shortage of power in the Maritime provinces and Ontario. An exchange of power could readily be arranged if we had a national power grid. The hon. member who raised this point comes from a party that proposed a national grid when it was in power, but the matter has not been pursued.

Many projects could be undertaken, and I think the Canadian public would be willing to co-operate. But the government will fail in its conservation program, this country will fail in its conservation program and this country should fail in its conservation program if we do not get independent figures that will be respected by all people in Canada, both in industry and the general public. Unless we can provide those figures I think we are going to spend a lot more money on advertising, in putting out small booklets, on running an office without very much money to establish our position in conservation, when most people in Canada do not believe we have a shortage in most energy sources.

I should like to close with a point that I do not think has been mentioned today, that is, the problem of uranium. Uranium is an excellent source of energy. It will probably grow into a source that will produce perpetual power as the years go by. If plutonium can be handled in the right type of reactor it becomes a breeder and could produce tremendous amounts of power. If this is so we will have gone a long way to establishing perpetual power. But I suggest we are not at that stage, and that Canada should husband carefully its uranium industry.

● (2020)

We are doing with uranium what we did with oil four or five years ago when we listened to the oil companies. They told us we had unlimited supplies of oil, that we should sell it to the United States while it was useful and before it became obsolete as a fuel. We know what happened. Similarly I suggest that our uranium supplies are not unlimited and that most major sources in this country have been discovered. Therefore the government should not encourage the sale of CANDU reactors around the world, as they

may cause some difficulty. At present we do not know how much our electrical power needs will increase and be met with the use of nuclear reactors. That being so, we should conserve our nuclear resources and not sell reactors.

Let the government husband our uranium, a resource which will play an ever increasing role during the next 20 years. If we sell CANDU reactors and the material to power them, we may find that history will repeat itself. We shall be unable to meet our own needs because we shall have sold our resource foolishly, without knowing how much is left for our own use.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, it gives me great pleasure to participate in the debate on this important motion dealing with a subject which is of great importance at this time. Surely nothing is more important for the future of Canada than our being self-sufficient in energy and agricultural production. The government's recently tabled white paper on the restraint program dealt with future spending priorities and underlined energy production, agricultural production, and housing. The question of energy is given the high priority it rightly deserves. If we are to be self-sufficient in energy we must embark on a successful exploration and conservation program. Self-sufficiency will only come about if we are successful in both these areas in the years ahead.

To me conservation means the elimination of waste and increased efficiency of energy utilization. This is important because, as previous speakers suggested, a good 50 per cent of all energy we use is wasted. In other words, we effectively utilize only about 50 per cent of the energy we produce. This figure should be of fundamental concern. We shall use more energy, much of it electrical, generated by the use of oil, gas and coal, but the efficiency figure will continue to decrease as we use more and more highly refined energy. Therefore conservation measures are in the best interests of Canada and economically important.

Let me dwell for a moment on the economic aspects of energy production. First, not only will development of new types of energy be very expensive, delivery will also be a problem. For instance, it takes increasing amounts of energy merely to develop new energy resources. About 25 per cent of the Syncrude output will be absorbed by energy extraction processes. The Mackenzie Valley pipeline, if and when it is built, will use a considerable amount of energy merely for the movement of the gas throughput. Clearly, new energy resources will be less efficient than previously.

What can we do to meet the challenge? It is possible to reduce demand, perhaps between 15 per cent and 20 per cent below projections for the year 2000. If we do this we shall be able to reduce the size of the delivery system by two thirds of the size of the present delivery system. This, in turn, can have an important bearing on the investment the industry will need to make in the years ahead. If we can reduce projected demand increases each year even by 1 per cent, the savings will be substantial, in the order of $2 billion. This represents a large amount of capital investment saved.

We should consider the question of energy under two headings. First, we ought to establish the conservation ethic with the Canadian people. We must ask people to reduce their use of energy even though this may have some impact on their standard of living. We must convince them to reduce waste, perhaps to reduce the discretionary use of energy. Second, we must emphasize the more efficient utilization of energy. This will entail superior designs for buildings, cars, appliances, and better industrial processes. Conservation of this kind will he dependant on better engineering and technology, as designers will design products which will use energy more efficiently without interfering with the life style of people. Perhaps in this area the biggest savings are possible.

I think we ought to be concerned about use of non-renewable resources. Perhaps in the final analysis we need not be overly concerned about amounts of energy still available, as a great many energy resources are yet to be developed and delivered. But this is not the case with respect to many other non-renewable resources. About half the world's population lives in undeveloped countries containing many non-renewable resources which contribute greatly to our present high standard of living. We have seen a significant transfer of those non-renewable resources from the underdeveloped countries to that one fifth of the world's population living in industrialized countries.

We must consider two questions concerning use of energy. If we continue to use vast amounts at present rates, if we consume so much more per capita than others do in the world, for how long can we be assured of security of supply? The population of the world will increase. It is predicted that the populations of underdeveloped countries will increase significantly. These people entertain expectations of higher standards of living. To accomplish their ends they will need to use much more energy, and many more renewable resources than ever before. So as time goes on the problem, and its urgency of solution, will be compounded.

May I mention some specific areas of concern? I suppose most people are concerned about large increases in natural gas use, and I am speaking of natural gas as a highly refined form of energy. Many realize that natural gas for long been underpriced relative to the price of other forms of energy. Natural gas has been environmentally acceptable; indeed, a good percentage of industries have switched to natural gas, after using coal, bunker C oil or some other residual oil, in answer to environmental pressures put on them. Consequently there have been a pronounced shift in the last few years in the energy business. The question is, should we allow highly refined forms of energy like natural gas to be used in the generating of electricity, or under heavy boilers?

It seems to me that if we are concerned about the future of our economy and energy supplies, and want to maintain our competitive advantage in the world, we should consider the use of natural gas in the chemical industry, paint industry, or in connection with plastics. I think we ought to give this matter serious consideration. I have often wondered what really is the best approach. Should we be working toward an equalized pricing structure with other forms of energy, or some type of program that designates the use of natural gas, reserving it for certain types of industry where a lot of jobs are associated?

● (2030)

I wish to make a few comments about our industrial sector. The industrial sector in Canada uses well over one third of the energy produced and consumed in Canada. If I may say so, they use it about as inefficiently as any sector of our economy. We in this House often have debates on energy, building standards, the insulation of residential homes, and so on. In terms of the total construction across Canada, very few large industrial buildings contain any significant amount of insulation other than a minimal amount in the ceilings. Very few have a centralized exhaust system.

In most industrial buildings where there is an industrial process, involving a considerable amount of heat there is an extremely high exhaust rate. None of this heat is being reclaimed. Most plants that use a good deal of water or other liquids for cooling, dump that liquid into the drain without any attempt to recover energy.

In terms of the tremendous amount of energy going into our industrial sector, the possibility of reclaiming a good deal of this is very high. We might ask why this has never been approached before. The point made by a number of speakers today is that the economics have not been there before. The traditional practice is to build the cheapest building possible and to have a large number of exhaust locations through the ceiling or around the perimeter. The economics have perhaps not been there until now to collect the exhaust, and have a central exhaust where you can reclaim heat.

There has been another very important reason. I feel strongly that we should be taking more action in this area. Most people involved in the industrial sector will tell you that the availability and real reliability of heat claiming equipment is not high. Many are convinced it would make good enonomic sense to install heat reclaiming equipment for air or water. Those types of equipment are available in theory and some are available commercially.

Most people in the industrial sector are not convinced that if they install this equipment that it will operate trouble free or that it will approach the efficiency level it is designed to do.

We need to do a good deal of work and give a good deal of assistance to the industrial sector in the same way that we have in rural extension in the agricultural industry to ensure them that heat reclaiming equipment can be made to work. If necessary we should be involved in the development of it.

Many people have good ideas about energy conservation related to industry. However, they are reluctant to take on the whole project development cost themselves, most of all to install this equipment and not really know about the reliability. Perhaps this is a larger risk than they want to undertake by themselves.

Most of the industrial processes in this country are selected for labour input efficiency, the number of man hours per ton or per unit. Until recently, if at all, no consideration has been given to the amount of energy per ton or per unit of output. If you look at industrial processes they can vary 200 or 300 per cent, even from competitor to competitor.

[Mr. Milne.]

We are coming to the point where we should be giving industry some leadership and encouragement to do a good energy audit in their plants to determine in each of these industries and each of the processes the amount of energy actually being used. We should be publishing standards so that industrial people can compare their performance of a plant or a certain process to see whether it is efficient or inefficient.

The time has come to convince them that they should spend a good deal of money in terms of capital to upgrade their industrial processes to make them more energy efficient. It has been possible to do that for 20 years or more in order to make them more labour efficient. It is only at this point in time that we have had the opportunity to talk to them about being more energy efficient.

To demonstrate the savings that are possible, one need only look at the commercial sector. When I say the commercial sector I think of the larger office complexes and hotels, the towers which you find in the central part of most cities. Most of those buildings operate at between 25 and 30 per cent efficiency. It does not take a good deal of design or ability in the engineering field to raise that to 50 to 75 per cent. The biggest problem has been that many of the structures are built with the idea that they will be sold or rented and whoever eventually rents or buys the structures will pay the energy costs. Therefore the person designing and erecting the building has no interest in the energy efficiency of it. I suggest that is probably going to change. People selling or renting buildings will have to answer with regard to energy efficiency. This is a very significant cost for purchasers or renters to undertake.

I will give an example. In five minutes you could probably walk from here to buildings that are using 200,000 BTU per square foot per year. Using a simple ordinary heat reclaim, that figure could be reduced almost 50 per cent to 120,000 BTU per square foot per year. Some of the more advanced designs of office buildings around the centres of our cities use only about 60,000. A very realistic figure to reach is 75,000. That is about one third of the standard. This is only using heat reclaim, storage of chilled water, and engineering principles that are very well known. In fact in most buildings there is an improved comfort level and the productivity level of people in them is actually higher with these types of systems.

To date the problem has been to convince people to spend a good deal more money on their initial cost to receive this kind of energy saving over the life of the building. What we need is a very aggressive program to sell people on the concept that they have to spend money to save money in the capitalization of a building.

If you review the life of some of these buildings it is amazing to find that the initial capital cost of some of these towers only represents about one third of the cost of owning it over the life of the building.

Close to 50 per cent of the total cost of owning a building over its life is to purchase the energy, maintenance and operation within it. We are talking about almost half the cost. Most of the time when we are doing engineering or design work we are trying to meet a very low first cost, when in fact we are incurring a much larger cost over the life of the building. There are many things that can be done.

I am encouraged by the example of the federal government in some government buildings. This is no more than giving leadership in the operation of mechanical systems in terms of the ventilation, lighting schedules, and hot water heating. It has taken 12 to 15 per cent of the energy requirements per square foot per year out of those buildings. I am not at all convinced that those operational programs have gone nearly as far as they could or should. However, it does demonstrate what can be done.

I am greatly encouraged to see in the over all conservation program of the government that it intends to word closely with both the industrial and commercial sector in giving leadership in the engineering and design aspect of it, setting out good computer programs to be used by the consulting engineers and architects. It would thus be possible to devise for each and every building the best type of system in terms of first cost, owning cost, and the amount of energy it would use. Some of the newer office buildings use not much more than half the number of lights which were installed in similar buildings only five years ago, yet the lighting level may be 20 per cent higher. This illustrates what could be done.

● (2040)

Greater consideration might be given through our tax system to those installing energy conservation systems. Over the years a number of concessions have been made to envĭronmental cost and it seems we should be equally concerned about the promotion of energy-saving measures. I would like to see a fast write-off for people who instal equipment specifically designed to conserve energy. This would apply mainly to the commercial sector and to current activity, though in time the concession could be extended to cover the refurbishing of older buildings constructed at a time when we were not greatly concerned about saving energy. These are the buildings we ought to be doing something about now.

I also feel the government should play an important role in setting out design levels which manufacturers of domestic appliances such as air conditioners and similar appliances would have to meet. If one looks through the results of U.S. research in this field one finds that there is maybe as much as 100 per cent variation in the amount of energy used in the course of the performance of two outwardly similar machines. At present we require in Canada that all electrical products be approved by the Canadian Standards Association. Most Canadian manufacturers submit their designs to the association at this point of time, and though there might be some objection—

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

Mr. Knowles (Winnipeg North Centre): Carry on.

The Acting Speaker (Mrs. Morin): Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Milne: I appreciate the opportunity to continue, Madam Speaker. I shall take only another minute or two. I think there is a good case to be made for setting out specific design levels in connection with many of the appliances we use, and for requiring manufacturers to meet those standards covering the amount of energy their products use to perform any given task.

A lot has been said about mass transit, speed limits, and smaller, more efficient cars. I think we are very fortunate in Canada to have kept our railroads up over the years. I say this having regard to some of the problems faced by our neighbours to the south in terms of moving large quantities of materials. I believe it requires something like 670 btu's to move a ton on the railroad, about 2,800 on a truck, and about 42,000 on an airplane. So it seems to me a basic strategy would be to divert as much freight as possible from trucks to the railways.

It amazes me why more of the trucks I see on highway 401 do not move by piggy back on the railway. At times it is almost like watching a train of big tractor trailers moving along that highway. Then again, in the riding from which I come one sees perhaps 500 to 600 gravel trucks a day moving from the escarpment to the city. Since we are interested in preserving energy it would seem to me there is a good case for diverting some of this traffic to the railroads. I am encouraged to think that the electrification of the railroads is being seriously considered, a move which promises certain rewards from the angle of efficiency.

Another thing we should be working toward is better co-ordination between the energy conservation program of the federal government, the various provincial governments, some of the public utilities, and the engineers of the bigger companies. I believe we all share the same concern. We might be better off if there were a highly co-ordinated program; divide the responsibility and let each sector take a serious approach to it.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) to realize that there are not many members to whom we would agree to an extension of time. But he was being so constructive in his approach that, following the suggestions made from this side of the House and urged for so long, we felt it was time a speaker on the other side had a chance to put something constructive on the record.

The policies he was suggesting are in the main exhortative. I think something more persuasive is required, something in the nature of a fiscal inducement.

I rise in shame and extreme concern to enter the debate this evening because of the knowledge that Canada has been castigated by the international community in an international report for failing—and here I quote from our motion, which in turn quotes from the report—to give practical form to its pretentions in the field of energy conservation. Or, in the words of the report as appearing, "to have accepted the goal of conservation without recognizing the need to implement the goal with specific actions".

I am distressed to feel we need this evening to underline this shortcoming, yet it must be drawn to the attention of the Canadian people that this shortcoming does exist. I draw some comfort from the fact that it is the Canadian cabinet which is criticized in this fashion as appearing to

have accepted a goal without following through. But the blame spreads, Canada is the loser, and for this reason I find it extraordinary that the speakers on the other side, the last speaker excepted, should try to apologize their way out of the position the government has taken.

The hon. member for Timiskaming (Mr. Peters) told us he was not sure whether there was an energy shortage now or not. That is not the point, Madam Speaker. We need conservation measures now and we are not getting them. In their absence, succeeding generations will vilify us. We are the guardians of our resources and we should hold them in trust for those who follow. We ought not to go down in history, as go down we will unless we change our ways, as profligate wasters of our nation's patrimony. It is a horrible thing to think that this generation will be looked upon in that way by generations to come.

As I say, we need a policy of energy conservation, and we need to consider alternate sources of energy. There is a wide choice, and many have been mentioned tonight. It may be worth while to list some of the non-renewable on the one hand and the renewables on the other. I do not think the list need be exhaustive, but there are at least ten that are worth mentioning.

● (2050)

On the non-renewable side there are, of course, hydrocarbons, liquid petroleum, gas, and coal. There is, of course, nuclear fuel, which has been mentioned on a number of occasions. On the renewable side those which are more or less indefinitely renewable—eternally is a pretty strong word—are thermal, and there is much thermal energy being wasted in Canada. There is tidal power. The hon. member for Cumberland-Colchester North (Mr. Coates) mentioned that this afternoon. So we have tidal power, and I suggest possibly there is surf power which we have not yet exploited. On the west coast of Canada there are pounding surfs that beat up on our beaches. This is power that should be capable of being harnessed. There is also the generation of electricity from hydro, wind, energy from wood and energy from bio-mass of which we have heard, and solar energy.

Solar energy is rather interesting. We seem to be so close and yet so far from being able to capture and use solar energy. I was talking to someone in the energy field the other day and he produced an absolutely staggering thought for me. I think the figure he used was two days, but even if it were two weeks, he suggested the sun poured down on the earth in that time as much energy as we poor humans can produce in a whole year. Some of this energy is being used. It is being used by our plants and we consume it later in the form of food, but the vast portion of it is wasted. It even comes through the thickest clouds and reaches us in ways that we know not how to capture. We must turn to the development of ways of doing so.

There are probably other forms of energy that we should be taking advantage of, each of which has its own advantages to offer, and each of which has its own problems to be overcome. Each of these sources must be mastered if we are to survive and preserve for the generations to come those energy sources now available to us.

Let me speak briefly about research and development, that neglected child of this government. I understand that just a little more than $1 million per year is being devoted to research and development in this field by the government.

I am having a great deal of difficulty, Madam Speaker.

The Acting Speaker (Mrs. Morin): Order, please. There are a number of private debates going on which perhaps could be held at the sides behind the curtains, so that the Speaker could hear the hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. Munro (Esquimalt-Saanich): I would even enjoy the opportunity of hearing myself, but I was not even able to do that.

I had reached the point of research and development in my remarks. There is a great need for research funds to assist exploration in these areas of potential use to mankind in order to determine which ones have the most to offer Canada in our present dilemma.

Whatever my friend, the hon. member for Timiskaming may say, we are drawing down our reserves of energy by the extent to which we use them, and we will eventually run out. Those are the non-renewable resources. Coal also has much to offer. I think if we could convert some of the jaw energy that is being used tonight into some form of usable energy we might be able to illuminate the Lester Pearson Hall without having a bill to pay at the end of the month. Of course other base products are also available.

There is one particular area of research and development I should like to draw to your attention this evening. In an earlier debate I mentioned the Wally Wagon, the product of a group of students of the University of British Columbia about two or three years ago. It was in December, 1973. I mentioned it as an example of inspired engineering aimed at solving a problem that was before us. It is also an example of the failure of the government to do anything to help. Governments are elected to show leadership. This government is showing none in this area. It is hopelessly deficient, even more deficient than the funds it extends research and development.

The Wally Wagon was powered by liquified gas under pressure. This is very easily refueled. It was a small compact car which served a commuter purpose. It handled the difficulties of urban parking and it dealt with the aspects of pollution. It was only eight feet long, or about 100 inches, compared to the 200 or 250 inches of the brutes we see running around now, occupying space for parking, polluting our air, and guzzling our gas.

This vehicle, named after Walter Gage, President of the University of British Columbia, was entered in a competition in Detroit in 1972 or 1973 and it lead in all categories including efficiency, design, convenience, economy, and it almost was pollution-free. It won against 64 other entries.

This is a tribute to the youth of this country who, on their own initiative, worked out a design to meet the requirements of the present day. I have seen this car and it is a little gem. Do you know where it is today? It is sitting under wraps in an engineering building at the University of British Columbia. It could very easily have gone into production, but there were no funds to carry it forward. It had a couple of wrinkles they wanted to get out, but there were no funds for that. It was just put aside, and there it

sits. I would like to offer to buy it. I would be very proud to bring it here and drive it back and forth in Ottawa to show what can be done. I would like to have one at home as well in Victoria, and I would be proud also to show what our young engineers can do. There was just the one model, and there it is under wraps.

It is interesting to note that a second experiment is being undertaken by that same faculty at the same university. This time the car is not to be powered by liquified gas but by electricity. They are working on a new type of power transmission from storage batteries, which produce direct current, powering the engine by alternating current. The batteries are recharged each night so that it will operate the following day without problem. It can travel at about 50 miles an hour.

This vehicle is not in somebody's mind, it is actually rolling along the boulevards at the University of British Columbia. Where did they get the funds for it? They did not get them from the government.

They put forward a proposal under the Habitat Program to the Minister of State for Urban Affairs (Mr. Danson). They said they would like $500,000 to get the thing going. You would never believe the answer they got. They were told this was piddling stuff—half a million; why did they not ask for something worth while? They were told the department did not consider a request for funds under a million. It was a modest demand—well, it was not modest, actually. Five hundred thousand dollars is not modest in my language. They felt they should keep it within reasonable limits.

Their request was rejected on the grounds that they had not asked for enough. I find this absolutely incredible. However, by the time they got around to asking for a million there were no funds left. Somebody else had sopped them up. All the while of course we are handing out something like $90 million, on such things as LIP grants, which could better be put into long-range thinking and research and development.

● (2100)

At the moment we are talking about research. Development comes later. But no; we have a large program for things of very short duration intended presumably to sop up some of the unemployment. Here, however, is a project which, if carried through, could enter the world field today at a time of need for energy conservation. It is a project involving a car that would be economically operable and cheap to produce. There is nothing to help these people get it going. The government simply is not serious.

The report that the international group came out with unfortunately is right. The government is not serious in its profession of support for research. It is not serious even in its profession of belief in conservation. I wish the words of the hon. member for Peel-Dufferin-Simcoe could be heard by his group. I hope he stands up in the caucus and says the same thing, because the government is not serious. I even except that exciting program on Boxing Day for which we are awaiting with baited breath. What is it? Is it Good King Wenceslaus coming out? I bet it is. The parliamentary secretary promised us this great feast on Boxing Day. I do not know whether I will bother to tune in to it because I believe what we need rather than a television program is a positive program in respect of research.

Development, of course, is the second phase. Why does the government not open up the fiscal road that would encourage development, leading to production, of one or other of the vehicles I mentioned, or some other energy conservation projects such as a new way to capture some of the energies we cannot yet manage? We have been talking about the wind. There is also solar energy. I know there is quite enough wind here and I would like to eliminate a lot of it that comes from the other side. But the government's tax policies are designed to discourage rather than encourage development.

This afternoon I heard that these people at the University of British Columbia are turning out to be a very disillusioned group. They have put their whole hearts into the production of these two vehicles of completely different concept, one of liquefied natural gas and the other of stored electricity. They are receiving no help and they wonder what the government is doing. I could tell them what it is doing—nothing.

The Canadian Patents Development Limited operation is a colossal failure. It was put together in order to help those who work at government laboratories so that if they should come up with some patentable operation they would be assisted in getting it patented, on the market and working. This is no good. It is not working.

What we need in this country is something more like what the British have introduced in the form of a national research development corporation, a corps of engineers to which people who have ideas could go, such as our boys from UBC, or someone who has some ideas in respect of solar energy or ways to harness the wind. We need this not only so that the idea or device will not be stolen but also so that the people concerned may obtain positive assistance in respect of further research in this area and, if the research pans out, further developmental assistance or development inducements in the way of capital investment in their particular enterprise.

We are getting none of this from the present government. I find it deplorable and shameful that we should have to underline the fact that we are remiss in this very important area, and are in our present dilemma where our normal recognized energy costs have soared beyond the reach of many people living on this planet. Yet we do nothing. We say, "We are all right, Joe". But what about the other man?

Energy Conservation

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Madam Speaker, I very much welcome the opportunity to participate in the debate this evening. I have listened very carefully to several wide ranging and informative speeches. Perhaps there are some other adjectives I will add in the course of my remarks this evening. In particular I enjoyed the contribution of the hon. member for Peel-Dufferin-Simcoe (Mr. Milne). I think the hon. member for Peel-Dufferin-Simcoe has made a specialty of the energy field and I know all members benefited from his contribution.

I also enjoyed very much the remarks of the hon. member for Esquimalt-Saanich (Mr. Munro). I think he touched on a number of very interesting points. I hope all members here had an opportunity to hear the hon. member for Algoma East (Mr. Foster), my parliamentary secretary, earlier this afternoon. If anyone was unfortunate enough to have missed his speech I very much hope he will read it tomorrow because I am sure all members would benefit from it.

One of the main points which I believe has come out in this debate is the importance all members attach to energy conservation. Let me say right from the outset that I share their views, their feelings, on the importance of energy conservation. The government shares their views and is convinced that energy conservation must play a very much larger part in our working lives. Indeed the reason my parliamentary secretary, the hon. member for Algoma East, led off the debate on the government side was that I was today in his constituency. I was talking to the people in the community of Elliot Lake, a community very much concerned with the supply side of our energy resources, although very much concerned also on the conservation side.

I do not think I can put it any better than by saying that we do have a growing gap, a supply-demand gap, which will get worse or widen before it starts to close. There are two essential ways to approach this. One is to increase our energy on the supply side. That is one reason why I was in Elliot Lake today. The other, of course, is to dampen down the increase on the demand side, which is the energy conservation argument.

In the course of my remarks today I note that we are wasting our scarce resources. More particularly we will be faced with soaring capital costs to provide the energy, some of it essential, but some of it we could save thereby saving on the capital cost.

The estimates I have seen indicate that in the next ten years we will require an expenditure of $110 billion to cover such capital investments as new pipelines, tar sands extraction plants, electrical generating stations, power lines, uranium and coal mine developments, and gas and oil wells. That amount of $110 billion in the next ten years is an incredibly large amount, representing roughly about $20,000 for each Canadian family over the next ten years. I think all members must ask themselves where will that money come from at a time when we have greater competition for the scarce capital resources of this country than ever before.

[Mr. Munro (Esquimalt-Saanich).]

● (2110)

What sort of sacrifices will we have to make for other essential services if we are forced to invest $110 billion for energy? Certainly something will have to go. Other essential services will not get their share, and I am talking about essential services such as public transportation, new factories, houses, or hospitals, and you could add many more to that list. When one considers the potential magnitude of such capital costs and future inflationary pressures—I want to emphasize inflationary pressures because I think there is a close tie between conservation measures and anti-inflationary measures—the value of energy conservation becomes clear.

If, for example, by 1985 we could cut back the annual growth in total energy consumption by 20 per cent below growth rates of the 1960's—thinking of growth rates of the 1960's as something over 5 per cent—which means down to around 4 per cent for the next ten years and then 3 per cent in the balance of the century, the next 15 years up to the year 2,000—still an increase each year—if we could cut it back we could save the equivalent of the output of 15 Syncrude plants costing approximately $2 billion each.

Those are the sort of magnitudes which we in the government and all of us as members of parliament are grappling with at present. It is not just something the government by itself can do something about; it is something which members on all sides of the House will have to do something about. We must get out and sell the importance of energy conservation to the Canadian people.

Mr. Baldwin: Tell the truth. Come clean with us.

Mr. Gillespie: Before we get too far in this debate it might be helpful if I were to put some numbers on the record. Some members of the opposition have suggested that in the IEA report of the OECD it was stated that Canada had had an increase in energy consumption last year when everybody else had a decrease. I would suggest to you that that is a rather selective choice of statistics, because I could refer hon. members to page 2 of the report in 1973-1974 which shows that the total primary energy in Canada increased by 5.5 per cent. The report points out that in 1974-75 the total primary energy declined 1.9 per cent. So I think it is totally false for any member of the opposition to indicate that we have not had some decline in our energy consumption in the past year.

Mr. Baldwin: I heard him make that report in Strasbourg—he was convincing.

Mr. Gillespie: It may be that the opposition members have been selective and chosen just the gasoline sector. If they have, they are right. It is quite right that the consumption of motor gasoline in Canada has increased in the last year, 1975 over 1974, by 4.6 per cent. But if you want to see this in balance we should add that our home heating oil consumption during the same period declined by 6.9 per cent.

Mr. Lambert (Edmonton West): Last winter was mild.

Mr. Gillespie: And electricity declined by 15.3 per cent.

I am not saying that the Canadian people can take much credit for this. What I am saying is that we have made a start in the direction of energy conservation. The total oil account, as I have indicated, is in the order of decline year over year of about 1.9 per cent.

A number of criticisms have been levelled in the debate today. There have been suggestions that the government has no program, that it has done nothing.

An hon. Member: Right.

Mr. Gillespie: Hon. members will recognize that these are wild exaggerations.

Some hon. Members: Hear, hear!

Mr. Gillespie: They are a sort of rhetorical flourish for the House of Commons that are absolutely without substance.

Some hon. Members: Hear, hear!

An hon. Member: That is a shameful exhibition.

Mr. Munro (Esquimalt-Saanich): Exhortations, that is all.

Mr. Gillespie: Several hon. members have suggested that the International Energy Authority has criticized Canada for an ineffective advertising campaign or because it had created an ineffective board in the energy conservation office.

Some hon. Members: Hear, hear!

Mr. Gillespie: I hear the hon. member for Peace River (Mr. Baldwin) opposite me say "right".

Mr. Baldwin: I never said a word.

Mr. Gillespie: It is on the record.

Mr. Baldwin: On a point of order, Mr. Speaker, I did not say "right". If I had said anything at all, it would have been "wrong".

Mr. Gillespie: Let me tell you what the report in fact states.

Mr. Gillies: On page 10.

Mr. Gillespie: On page 9. This may come as a surprise to the hon. member for Don Valley (Mr. Gillies) but the report states:

The Energy Conservation Office is clearly a force to be reckoned with. It conducts a public information program of great imagination and drive. Some of its productions could be studied with benefit by other IEA countries. It already has a number of considerable achievements to its credit. For example, it has been influential in securing a requirement for energy accounting to be included in any project involving federal money.

It does not seem to me that hon. members opposite have taken the time to read what the International Energy Authority had to say about the Canadian program.

There have been other suggestions that we were criticized—

Mr. Gillies: I rise on a point of order. I wonder, Mr. Speaker, if the minister would read the last paragraph, which is a summary of the whole report, on page 10, to put this in proper perspective?

Some hon. Members: Order!

Energy Conservation

Mr. Gillespie: Mr. Speaker, I would be very pleased to have a question from the hon. member at the end of my remarks, if he cares to put one to me.

Some hon. Members: Oh, oh!

An hon. Member: Read page 10, Alastair.

Mr. Gillespie: Let me just remind hon. members that if they had taken the time and trouble to look at our supplementary estimates—

Mr. Baldwin: We sure looked at them.

Mr. Gillespie: I am delighted to hear you have, because hon. members will find in those supplementary estimates an item of $2,500,000 plus, for additional advertising to carry the message which has been applauded by the International Energy Authority.

Mr. Baldwin: What Liberal got that contract?

Mr. Gillespie: I want to introduce a balance to this debate. I want to read a paragraph from the report of the International Energy Authority which is critical of the Canadian government.

While there is evidence that certain major sectors of the Canadian economy, which are highly energy intensive, have taken steps to reduce unit energy costs (aluminum is an impressive example), it is doubtful whether Canada's pricing policy is in Canada's best interest in the context of a meaningful conservation program. Even allowing for the arguments associated with comparative advantage, the gap between Canadian energy prices and world prices would appear too big.

● (2120)

That is a very serious observation about which all Canadians and all members of parliament ought to think very hard about. It seems to me that the opposition, and the Conservatives in particular, should think pretty hard about that suggestion. I wonder whether the hon. member for Don Valley, for example, would agree with the suggestion in the report that we should have narrowed the price gap last year. If I recall correctly, it seems to me that the Conservatives opposite were arguing very strenuously that we had raised the price too high, or that we should not have raised it at all. If I remember the debates earlier this year, it seems to me that the NDP took a rather similar view, that we should not have raised the price as high as we did, and that we should not have narrowed the margin as much as we did. Clearly they cannot have it both ways.

I suggest that the government has introduced a judicious balance between the inflationary forces and pressures associated with a higher increase on the one hand, and the need to get the energy conservation message across on the other. Several hon. members suggested that government buildings in Ottawa are beacons at night, and they were right if they were talking about several weeks ago.

An hon. Member: What about External Affairs?

Mr. Gillespie: When I became minister I myself was concerned about some of these buildings. The Lester B. Pearson building has been mentioned as an example. If the hon. member had taken the trouble to drive past the External Affairs buildings, as I did the other night around eleven o'clock, I think he would find that probably less

than a third of the lights were on at that time, and being a reasonable and fair man he would probably admit that there were likely to be a few people working at that time. I understand that he himself works very late at night. Being a reasonable man I am sure he would also realize that there would be cleaning staff involved, so that I think he will see that there has been a good deal of progress.

Not so very long ago the lights at the Taxation Data Centre seemed to be on all night, but I made a personal check the other night and found that better than half of those lights had been turned off. The point I am trying to make is that there has been an important response with regard to federal government buildings. It will still take a little longer because much of the wiring and switching has to be changed, but that is coming.

Mr. Baker (Grenville-Carleton): Who got the contract?

Mr. Gillespie: There were suggestions that we introduced a program last February and have done nothing since. Let me repeat what the hon. member for Algoma said. There are a number of important measures being taken. I am not saying they are all we want to go with, because clearly we will be asking hon. members to take further action, but I think these sorts of measures indicate the kind of lead the federal government is giving on the question of energy conservation.

The federal sales tax on insulating materials was completely removed in the last budget. An excise tax related to weight has been introduced on the largest automobiles, and a 10 per cent tax levied on private aircraft and marine motors of more than 20 horsepower. Insulation requirements have been increased in the building code, followed by Central Housing and Mortgage Corporation, and a ten cents per gallon tax increase, so bitterly attacked by the opposition, was levied on motor gasoline for non business use.

Mr. Stanfield: Shame!

M. Gillespie: I remind hon. members opposite that probably the single most effective deterrent to increasing energy consumption is a higher price. Every other country has found that to be true. The opposition choose not to look at these important truths; they choose to look only at the peripheral.

Some hon. Members: Hear, hear!

Mr. Gillespie: A good deal has been said about speed limits. Last year, and earlier this year my predecessor stated that it would be a commitment of the government to reduce the maximum speed for federal vehicles to 55 miles an hour, and we invited all the provinces of Canada to follow this lead. I think it is probably the single most important move which can be taken at the present time to drive home to Canadian people the importance of energy conservation.

I went down to Washington less than three weeks ago to talk to federal energy administration officials and to ask them what had been their experience. I had heard stories, and many hon. members have heard stories, that there is a federal speed limit imposed in the United States but that it is not being observed. Quite the contrary is true; time and again I have run into Canadians who have been down to the United States who have told me that it is being observed, and that while there are surely some pockets where it is not being observed with the same even handedness as perhaps in upper New York state, there are probably exceptions to any policy of this kind.

Generally speaking there is a broad commitment in the Unites States to the 55 miles an hour speed limit. I have met and talked to a number of the energy ministers of the Canadian provinces, and I was very pleased that the province of Ontario has decided to follow the leads of the federal government and the province of British Columbia in limiting the speed to 60 miles an hour on some expressways and 55 miles an hour on others. When asked my opinion about a 60 miles an hour limit, my answer to that is that it is better than a 70 miles an hour limit. I would have preferred 55, but it is certainly better than 70, and I very much hope that the other provinces in Canada will introduce measures to reduce their speed limits.

I shall be meeting with the energy ministers of the provinces on December 12, and at that time we will be discussing a number of matters related to our energy future. One of them will be the question of energy conservation, and part of that agenda item will be to try to obtain a national 55 miles an hour speed limit across the country.

Before closing I wish just to touch on one or two other items which are important in terms of energy conservation. I should like to commend the Canadian Automobile Association; hon. members may be aware that a very substantial public relations program has been launched by that association. I think it is a very responsible program—and that association has a membership of a million or more motorists in Canada—which is aimed at getting across to them the importance of energy conservation and the various ways they can conserve the energy used by their automobiles.

I have talked to public utilities—not all of them but many—and I have impressed upon them the importance we attach to energy conservation. They have assured me that they have changed completely what had been their program of pushing, selling, and promoting the use of more energy, in favour of programs designed to persuade people to use energy more effectively and efficiently to meet energy conservation goals.

There was some reference to the question of energy research and development. The hon. member for Esquimalt-Saanich referred to this in his remarks. I share with him the feeling that more has to be devoted to energy conservation. I am sure he is aware, as are other hon. members, that at the present time the federal government is spending over $100 million per year on energy research and development. A large part of that is for nuclear energy, of course, but it covers a wide range of programs. At the present time my cabinet colleagues and I are considering the list of priorities. I can tell you that energy conservation will be at the top of the list as far as new programs are concerned.

● (2130)

Mr. Munro (Esquimalt-Saanich): Alternative sources?

Mr. Gillespie: Yes, there are new sources as separate from the question of energy conservation. Energy conservation stands on its own, and in terms of new programs it stands at the top of the list.

Let me conclude by saying that energy conservation is everybody's program. It is not the government's program, it is not industry's program—it is everybody's program. Every member of this House has a responsibility to promote energy conservation. Energy conservation perhaps more than any other single approach at the present time will help solve some of our long term problems on energy, and at the same time assist us in our anti-inflation fight.

Some hon. Members: Page 10. We want page 10.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the early part of the day, just prior to this very important debate when the minister was in the riding of Algoma worrying his parliamentary secretary to death, a motion under Standing Order 43 was put by the hon. member for Don Valley (Mr. Gillies) which I think was a fair beginning for the day we have had in this House. This has been a very good debate and I want to congratulate the hon. member for Don Valley as I think he has done a great service to this House and Canada—

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): —in bringing to their attention the neglect of the government and the shameful situation that has arisen from that neglect. That motion in effect called for an investigation as a result of the new evidence of the unpleasant and even frightening fact that government officials in the National Energy Board and elsewhere had consistently and dramatically over estimated the depth of the country's energy reserves.

The motion refers to the criticism not by any party in opposition but by the International Energy Agency, an organization which could only be construed as non-partisan. It said that "there appears to be a substantial gap between principle and practice;" that the Canadian cabinet "appears to have accepted the goal of conservation without recognizing the need to implement the goal with specific actions".

A reference was made earlier to page 10, but the minister refused to put on the record the conclusion of this non-partisan report. I think it is important that this be on the record in this debate and I shall now quote from page 10. I think even the most biased supporter of the government, the most blind of the trained seals, would have to agree that this is a condemnation of the government. Here is what it says:

> In short, and without under estimating the complexity of the problems, there appears to be a substantial gap between principle and practice. It would appear that the central policy adopted by the cabinet has not yet proved strong enough to get rapid decisions. That is, the cabinet appears to have accepted the goal of conservation without recognizing the need to implement the goal with specific actions. For example, there is an impressive list of short term measures—

I want to digress for a moment. We just heard a view of that from the minister a few moments ago. To continue:

> —which do not involve large unit investment, only a few of which have been approved. There is a more impressive list of impending short term measures. There is, furthermore, little evidence as yet of any major impact of energy conservation in terms of long term measures.

That is the end of page 10 which the minister chose to ignore when he addressed the House a few moments ago.

Some hon. Members: Shame!

Mr. Baker (Grenville-Carleton): I know he has been affected by the rarified and delightful air of northern Ontario but I am sure that omission could not be excused even on those grounds. The fact is that the best the minister could do was to say that the leadership with respect to conservation in Canada had to be provided by the Canadian Automobile Association and not by the government. That was the essence of what he said.

Mr. Gillespie: Oh, come on!

Mr. Baker (Grenville-Carleton): He made a fine speech. He trotted out all the statistics. He trotted out the great problem we have ahead of us. We all know we have a problem, Mr. Speaker. What we are asking is for that group that has the mandate to lead—a mandate that is perhaps regretted now by some of the Canadian people—should give more than lip service to the programs that are necessary, given the truth of the minister's statistics with respect to the problem.

That is what we wanted from the minister—why we waited with bated breath for his return from northern Ontario in the Minister of Agriculture's (Mr. Whelan) jet.

What did we get? We got more of the same kind of lip service that we got from his predecessor when he brought forward that magnificent advertising program a short while ago. That advertising program of the government, the conservation effect of which is recognized around the world as perhaps the most ineffective of all of the institutions in that department—those two things are not even an excuse—an excuse for a conservation policy.

The minister said we had to look at increasing the supply as part of the policy, and we had to demand the enthusiasm of Canadians. He is quite right, but the question that comes to mind is, what effective action is the minister going to take? Has there been any announcement of new initiatives with respect to transportation—to move people to the use of public transportation? Not one. Has there been any announcement with respect to diverting traffic from the highways to the railroads? Not one. Has there been any announcement with respect to tax incentives to have a smaller automobile produced in this country as part of the North American scene? No. Smaller automobiles have been produced but not in sufficient numbers to have any effect. The minister had better recognize that. This has been happening in spite of the minister's program and not because of it.

The best he could come up with was the bandages and band-aids that have characterized the government's policy with respect to conservation and a host of other things. He mentioned the crowning glory of the government's conservation program, the ten cents a gallon excise tax on gasoline. What will that tax do? I will tell you—absolutely nothing. It will not stop the use of cars, as many must use them because our present public transport systems are inadequate to meet the need. Therefore the tax will merely make motoring more expensive for motorists who must use their cars. If I am wrong I am sure the minister will stand up and trot out statistics to prove me wrong; but he is not doing that.

What are the government's long term views? I suggest that the government's record in the field of research and

● (2140)

development, provision of new energy forms and services—in all those matters we discussed today—is dismal. Yes, it's record is dismal.

Mr. Stanfield: I'll bet lots of lights are still burning.

Mr. Baker (Grenville-Carleton): That is why the hon. member for Don Valley proposed the motion before the House, and why we expected the minister on his return from northern Ontario to repeat in this House part of the speech he had made up there. We expected more from this minister; we expected a commitment, not lip service; action not words. We expected more than the sort of Boxing Day announcement he was considering. We expected the federal government to show leadership with respect to energy conversation—

Mr. Gillespie: Conservation! That is all this is—conversation.

Mr. Baker (Grenville-Carleton): I beg your pardon; I meant conservation. I suspect what is going through my mind is going through the mind of any member who listened to the contributions from the government side. With the exception of the hon. member for Peel-Dufferin-Simcoe (Mr. Milne), who gave an excellent speech on the long-term aspects of the problem, hon. members on the government side made a dismal contribution on conservation. The minister's performance was no better. Frankly I expected more.

Mr. Stanfield: I didn't.

Mr. Baker (Grenville-Carleton): I did not expect window dressing. I expected policy pronouncements. I shall go home tonight dejected and downhearted because I did not hear what I ought to have heard.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, before speaking on this important motion let me say that one thing puzzles me about the proposed 55 miles an hour speed limit. I can see the sense of restricting four cylinder cars to 55 miles an hour, but I wish the minister or some other automotive expert would explain to me how a 455 horsepower V-8 engine is to operate at peak efficiency if speed is to be restricted to 55 miles an hour. The engine will carbon up, operate less efficiently, and use more gasoline. If my assessment is wrong I hope someone will tell me. If we are to restrict the speed limit to 55 miles an hour, we should not allow engines of 450 and 500 horsepower to be built.

Mr. Gillespie: Buy a car with a small engine and save gasoline.

Mr. McKenzie: Mr. Speaker, the minister completely missed my point. There are thousands of huge V-8 engined cars on the road and the owners will tell you that those cars will not operate properly at low speeds. Gasoline mileage will be poor if those cars cannot be driven at 70 miles an hour at least.

I now wish to comment on an important conference held in Winnipeg in 1973. I am referring to the International Biomass Energy Conference, attended by delegates from all around the world. They presented sound alternatives and suggestions for renewing our sources of energy. I have heard little from the government or minister with regard to biomass energy, and alternative source of energy. I find, on checking the estimates, that the government granted only $3,400 this year for research in the field. The money is to go to the University of Manitoba.

May I now refer to a portion of the 1973 report? Scientists at the conference said that oil and gas can be made from agricultural waste. They also said that large amounts of organic solid wastes having their origin from farm animals and agricultural crops are generated annually in the United States. On a dry basis this amounts to hundreds of millions of tons each year and is becoming a more serious pollution problem each succeeding year. Really, the conference was considering the use of manure. There is lots of manure going to waste in Canada. Conference scientists held that the indiscriminate disposal of these wastes is not only seriously affecting the ecology but is overlooking a potentially significant source of energy at a time when the country needs a more abundant supply of clean energy.

The Bureau of Mines of the United States Department of the Interior is exploring three processes for converting these wastes into low-sulphur synthetic fuels, thereby contributing to the solution of two critical problems simultaneously. I am not aware of any similar program in Canada.

The first process converts organic solid wastes to oil by treatment with carbon monoxide and steam under pressure at elevated temperatures. The net yield of low-sulphur liquid fuel from this source is about 1.3 barrels per ton of dry organic waste. This oil product can be readily stored, transported, and burned cleanly to provide energy.

A second process is direct gasification of organic waste with hydrogen to produce substitute pipeline gas. About 6,000 scf of pipeline gas are produced per ton of dry organic waste. The hydrogen for the process is generated from the residual char from the hydro-gasification.

Further, with the current energy crisis reflecting the increasing scarcity of non-renewable fossil fuels, the prospect of using renewable sources of energy is becoming more attractive. There are now several examples of the use of waste materials for energy. Many pulp and paper plants heat boilers with "hog fuel"—bark, branches, and other wastes from forestry operations. The benefits are twofold; material which previously might have been pumped into streams, causing pollution, can be used to save money on energy costs.

In Hawaii plans exist to provide 80 per cent of that island's electrical generation from plants fired by sugar cane bagasse. Not only will fuel costs be reduced and the balance of payments situation improved, but the sugar cane industry can be expanded. Sugar cane wastes are a source of pollution and their disposal is strictly controlled. Their use as a fuel is an excellent means of low pollution disposal.

Scientists say that it will be necessary to harvest an renew trees in a 300 to 400 square mile area to fuel a 400 megawatt generating plant. Costs competitive with fossil fuel generation are projected.

All growing matter, including renewable plant and animal material, and plant and animal material stored in the form of non-renewable fossil fuel, is given to term biomass. How much biomass is available for energy production in the world today? The answer to this question was encouraging enough to prompt the formation of the Biomass Energy Institute in Winnipeg during 1971. The institute is a non-profit organization which co-ordinates

and promotes research and development into renewable biomass energy sources.

A major step in the co-ordination process was taken with the sponsoring of the first international biomass energy conference in 1973, when 18 speakers dealt with the three major questions facing biomass energy. They are, first, is it available in useful quantities? Second, can it be easily and efficiently converted to useful forms? Third, is its implementation and use economically feasible? I say that it is, Mr. Speaker.

Our energy requirements will also increase with food requirements; but, theoretically, if all biomass were collected in western Canada and used for energy in 1980, it could amount to almost all our Canadian natural gas requirements, or 25 per cent of our total requirement. Projecting our figures to the year 2000, we could expect easily to double the 1980 figure.

● (2150)

Crops will never be grown exclusively for energy production because of the projected high demand for food, but straw and other crop residues from food production will be used for energy production. These residues can now be collected easily and farmers will do so if the economics are attractive. In heavy crop years these residues cannot be incorporated into the soil and regulations may soon prohibit their burning.

I would also like to point out the problem that certain industries are experiencing because of fuel shortages, in particular natural gas. The cement industry can use alternate fuels in the manufacture of cement, namely, oil or coal. However, it is becoming increasingly apparent that Canada's domestic production of oil will be hard pressed to meet normal oil demand, let alone any shift in energy consumption from natural gas to oil. The same argument can be used with respect to coal. In other words, the over-all diminishing fuel picture cannot hope to meet the growing demand for energy in the future.

Even if assumptions were made that alternate fuels were available to allow for a shift in energy consumption from natural gas and that the price of fuels will be equivalent on a BTU-content basis, the increased capital and operating costs associated with converting the Inland-Ocean cement plants would be significant. For example, the initial capital costs to convert the four western Canadian plants to coal systems would total approximately $9 million. Operating cost would be higher with a coal system because of the handling and coal processing required.

If Inland-Ocean were required to convert to coal, the increased capital and operating costs would have to be passed on to the consumer. Since cement is a basic building material, increased cement prices would naturally result in increased construction costs. The point here, and the concern of the cement industry, is that they are not going to have enough natural gas to operate their plants.

On a number of occasions in the past I have urged the government to promote the polar pipeline through Manitoba. The government has a 45 per cent interest in the Panarctic pipeline. I certainly hope the minister and the government are making every effort to promote this pipeline. Let me point out that Manitoba faces a serious shortage of natural gas. New homes and businesses must find alternative fuels to supply heat and power.

Two alternative routes have been suggested for this pipeline. One route would put it through eastern Keewatin and Manitoba; the other, across Hudson Strait and down through northern Quebec. May I list my reasons for thinking the Manitoba route is the cheapest and most logical alternative. Consider the matter of construction. The Manitoba route would be an all-land route, while the Quebec route would involve the spanning of a large body of water, Hudson Strait. The building of pipelines on land involves, of course, a well understood and much practised technology; building under water does not involve any well understood technology. Surely problems would arise in connection with the under water route.

Let us also consider construction aids. In this regard the Manitoba route is far ahead of the Quebec route. The main aid to construction would be the Hudson Bay railway, which would run parallel to the pipeline from Churchill to The Pas for 510 miles. That route would provide the builders of the pipeline with cheap transportation help. The very presence of a railway and highway means that supplies could be transported quickly and cheaply to construction areas.

In the first phase of construction, materials would be taken to Churchill and loaded on supply boats, which would deliver materials to points along the Hudson Bay coast where construction would be taking place. In the later phases of construction, materials would simply be unloaded along the railway and highway at a point where construction had proceeded. As a sideline, this would provide a much needed shot in the arm for the port of Churchill and the railway.

In my remaining few moments I wish to point out that we must do all that we can to promote solar energy. It was certainly encouraging to read today that the government is going to be using solar energy to heat partially some of its new buildings.

A recent United States committee report said that country could already have been saving about three million barrels of oil a day—about half its current oil imports—if it had heeded the advice of a presidential commission in 1952 to develop solar energy. Even without a strong government program, however, solar technology has been developed and there is in place a small but significant manufacturing capacity. "With appropriate and wise government action, the industry could and would take off," the report said. "The nation could and should establish immediately the goal of providing at least 30 per cent of its building heating and cooling, and water heating increases each year from now until then," the committee report urged.

To achieve such a goal the report recommended enactment of tax incentives, and perhaps low-interest or guaranteed loans, to encourage rapid application of solar heating and cooling.

On a recent trip to Israel I noted that the majority of homes use solar energy to heat their water supply. They are certainly showing leadership in that area. However, I see very little being done in this country with regard to solar energy. I hope the minister will be pursuing that.

Adjournment Debate

[*Translation*]

Mr. Deputy Speaker: Order. It being ten o'clock, it is my duty to inform the House that pursuant to the provisions of Standing Order 58(11), the proceedings on the motion of the hon. member for Don Valley (Mr. Gillies) have expired.

* * *

[*English*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-25, an Act to protect human health and the environment from substances that contaminate the environment, without amendment.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

INDUSTRY—FOOTWEAR—REQUEST FOR PROBING OF IMPORTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, according to the provisions of the Standing Order, I have raised a question to draw to the attention of the House the serious problems now facing the Canadian footwear industry. I make a new attempt today because I consider on one hand that, as a result of our difficult economic conditions, we must protect our industries and on the other hand, I must tacke more particularly that problem because in my constituency the footwear industry is important, especially the town of Richmond which has several plants. Our regional economy heavily relies on the footwear industry which even provides the subsistence of many families.

It should first be pointed out that it is not a new problem. Already these last few years our industry has been experiencing difficulties and constantly losing ground. For instance on May 3, 1971, on page 10 of *La Presse* one could read the following headline in big letters:

DESPAIR GRIPS FOOTWEAR INDUSTRY

The article contained a statement by Mr. Eugène Rancourt, then president of one of the footwear unions, who said that in the ten preceding years at least 34 plants had gone out of business in Quebec alone, which lead to the layoff of hundreds of workers.

Ottawa was then urged to limit imports to a reasonable percentage. If I take the trouble of describing the conditions in 1971, it is because they are strangely similar to the ones we have now, which means that practically the problem has not really been solved and has even worsened.

[Mr. McKenzie.]

That is why very recently the Footwear Manufacturers Association of Canada launched a campaign to make the government realize the pressing necessity of intervening as soon as possible with very definite measures to save that important sector of economic activity. It is with this view, Mr. Speaker, that I rise in this House tonight to ask this question.

First of all, I would like to draw the attention of the government, and in particular of the Minister of Industry, Trade and Commerce (Mr. Jamieson), on the data that must be well established before anything else. As a matter of fact, the history of the footwear industry in Canada since 1956 is merely one of loss of a large market which was most promising. In 1956, Canada imported 12 per cent of the Canadian footwear production while in 1969, imports had reached 79 per cent. In 1956, Canada produced 58.8 million pairs of shoes and imported 6.9 million while in 1969, our production was about 58 million pairs while imports had increased from 6.9 to 46 million.

● (2200)

These figures are self-explanatory. Foreign competition is therefore great and has very serious consequences in Canada. The situation was somewhat better in 1973 for instance, when some 31 million pairs of shoes were imported, but as Mr. Jean-Paul Hanna, the president of the association, indicated at the official opening of the Canadian International Footwear Exhibition in September 1974, even though at first imports seemed to be slowing down, by the end of the year they had recuperated to reach a total net increase of 3.7 per cent.

Already in 1973 the leather industry had asked the government for increased protection against foreign shoe imports. They were afraid the number of imported shoes might reach 41,000,000 pairs, while shoes produced in Canada might fall down to 18,000,000 pairs.

In its brief to the government, the association asked for a reduction of imports, so that in 1975, in other words this year, Canadian manufacturers might supply 75 per cent of the shoe market. Now, we see today that this objective is far from being reached. On the contrary, orders for shoes from Quebec and Canadian manufacturers have dropped by 38 per cent at the beginning of this year compared to last year. On that subject, Mr. Jean-Guy Maheu, the vice-chairman of the association said the following:

If this trend were to be maintained throughout the year, 35 plants would have to close.

More than 10 per cent of the labour force have been dismissed since the beginning of the year and many have been dismissed temporarily. I think, Mr. Speaker, that these facts alone are sufficient to sound the alarm, to urge us to give immediate consideration to that problem and prevent an irreparable catastrophe. The Minister of Industry, Trade and Commerce tried in 1973 to correct the situation by setting up what he called "his sectorial strategy for the footwear and tanning industry".

In the light of past experience since then, we realize however that, to all practical intents and purposes, that sectorial strategy can be efficient only if we ensure our Canadian production a good Canadian market. One has to be blind not to see that we must first guarantee the survival of our industries by ensuring them a good per-

centage of our local market. Then, we can import. Otherwise, we will risk the danger of destroying that industry, increasing unemployment and adding to the sad state of affairs whereby Canadians produce less and less and consume more and more foreign goods.

I deplore the fact that in the last few months big chain stores, such as Eaton's, for instance, seem to be buying directly from foreign manufacturers of footwear, instead of ordering them from importers, which saves them another 30 to 35 per cent. Those chain stores should remember that they live off the income of Canadians who, to buy the goods they need, have to work; we certainly will not achieve that goal if we destroy our industries through our imports.

It is far from being proven that imported footwear is preferred by Canadians both for price and quality or durability. But that is not the point. The point is whether the government is prepared to let Canada see its industries go down, and let this country become a consumer of foreign products, or whether we accept the challenge immediately by bringing back to the surface our viable industries and becoming again a productive country, by consuming first our production and even setting export goals afterwards in areas where that is possible.

I appreciated a lot the brief submitted sometime ago by the Canadian Shoe Manufacturers Association before the Canadian committee on trade and commerce and customs tariffs. It proposes in particular that the government reduce imports to a reasonable proportion, that it take immediate steps in the area of maintaining customs tariffs, that it extend the jurisdiction of the Textile and Clothing Board to footwear and that it initiate negotiations with other governments to come to an international agreement governing the footwear trade and including the setting of a quota.

Mr. Deputy Speaker: Order. I regret to have to interrupt the hon. member but the time allotted to him is now expired.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I want first to commend the hon. member for the interest he showed about the footwear industry. May I be permitted to refer him now to the statement made by the Minister of Industry, Trade and Commerce (Mr. Jamieson) on November 20 last on the sectorial strategy of the tanning and the footwear industries and of which a study report was tabled in this House on December 21, 1973. In reply to his question I want to inform the non. member that the implementation of that strategy which includes several elements and measures which are closely related is moving forward at a satisfactory pace. The hon. member suggested this problem was not new but I would like to take this opportunity to explain the solutions which are now new to deal with this problem. Those steps that I mentioned will have an effect on international trade and will ensure the protection of the footwear industry in Canada. For example, under the trade policy included in that strategy the government took various steps to help Canadian manufacturers, and here are a few examples: leather footwear was exempted from the general preference condition; second, the Department of National Revenue has noted on four occasions that shoes from certain countries were undervalued and that this affected the prices on the Canadian market—action has since been taken in this regard; third, manufacturers obtained tariff reductions on three occasions on materials not available in Canada. Several cases are now under study.

In closing, Mr. Speaker, I would like to note that while this sectorial strategy applied only to the leather footwear and tanning industries in the beginning, the Minister of Industry, Trade and Commerce is now considering extending its advantages to the rubber footwear subsector. This action follows the annulment, on August 28 of this year, of the general preferential tariff for rubber footwear and the reinstatement of the most favoured nation 20 per cent tariff.

As the Minister of Industry, Trade and Commerce stated on November 20 of this year, the government will continue to examine periodically the status of the footwear industry and to determine if other action is required in the future.

I therefore congratulate the hon. member for the interest that he has shown in this important industry. Moreover, as other members also said during the Liberal party caucus, we should continue to review regularly the situation of the footwear industry in Canada.

[*English*]

VETERANS AFFAIRS—DATE OF DECISION ON BILL TO IMPLEMENT RECOMMENDATIONS OF COMMITTEE ON WAR PRISONERS AND WIDOWS' PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, last Thursday, November 20, as recorded in *Hansard* at page 9274, I put this question to the Minister of Veterans Affairs (Mr. MacDonald):

> In view of the fact that the President of the Privy Council has assured me on four or five Thursdays in a row that a certain matter is under consideration, can the minister tell us whether a favourable decision has been reached with respect to it? I refer to the bill to implement the recommendations of the Standing Committee on Veterans Affairs concerning Canadian veterans who were prisoners of war and concerning the provision of pensions to veterans' widows?

The reply of the Minister of Veterans Affairs was in these words:

> I can confirm the statement made by the House leader but that is as far as I can go today.

That was last Thursday and this is Monday of a new week, so I am hoping for an answer tonight.

● (2210)

I am most grateful to the Minister of Veterans Affairs for being here for tonight's late show. I suppose there are times when members on the opposition side of the House use the question period, or even the late show, to try to embarrass some unco-operative minister, but I assure the Minister of Veterans Affairs that that is by no means the attitude with which I address him on this question. I believe he is every bit as anxious as I am to get this legislation before parliament. I suppose if I were to put to him the question I really want to pose it would be this: what can we do to help the minister to win this battle with his colleagues who make up the cabinet?

We are, of course, talking about the report of the Standing Committee on Veterans Affairs which that committee made to the House of June 12 of this year. That report arose out of our study on the Hermann Report having to do with prisoners of war in Northwest Europe, but our studies went a bit further. Indeed the recommendations the committee made were four. I spelled them out in some detail during a late show on Monday, October 27, as recorded in *Hansard* at pages 8598 and 8599, so I shall refrain from repeating all that detail tonight. I would just indicate what the four recommendations were.

First, we asked that there be a special piece of legislation dealing with prisoners of war. Second, we asked that the provisions regarding Canadian veterans who were prisoners of war at Hong Kong be improved, that instead of the pension being 50 per cent including any disability assessment it be 50 per cent for all who were at Hong Kong, with any disability assessment being added on top of that with a ceiling of 100 per cent. Our third recommendation was that there be a scale of benefits for veterans who were prisoners of war in Europe. Briefly the scale was that for incarceration of up to one and one-half years the pension would be 10 per cent. For incarceration of from one and-one-half to two and one-half year it should be 15 per cent, and for incarceration of two and one-half years or over the pension should be 20 per cent. Our fourth recommendation had to do with widows of veterans. In particular we asked for a change in the well known 48 per cent rule. Our plea is that for widows of veterans in cases where the veterans' disability pension is less than 48 per cent there should be a pro rata widow's pension instead of none at all.

Now, the minister is as familiar with all this as I am, if not more so, and I say again that I know he is just as anxious as I am to get this legislation before the House. I am sure his parliamentary secretary now sitting behind him agrees with me, and I suspect that he too is hoping to hear a good answer tonight.

It is a puzzle to us how a matter like this can be around this long, and how the President of the Privy Council (Mr. Sharp) can tell me Thursday after Thursday after Thursday that the matter is still being considered by the government, and yet we cannot obtain an answer. I welcome very strongly the words of the minister the last time he answered a question of mine during a late show when he expressed the hope that the restraint program which is now around us will not apply to prisoners of war or to widows of veterans. We back him 1,000 per cent on that.

So, Mr. Speaker, there it is. The Standing Committee on Veterans Affairs gave a great deal of thought and attention to these matters. We were unanimous in our desire that these recommendations be implemented. I hope the minister can tell us tonight how soon he might be able to make an announcement and, if not, that he will tell us what we can do to help him.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I am glad to be able to reply to the question of the hon. member for Winnipeg North Centre (Mr. Knowles) concerning the decision to implement the recommendations of the standing committee regarding prisoners of war and widow's pensions.

Hon. members will recall that my parliamentary secretary spoke concerning the same matter on October 30, 1975, as reported at page 8735 of *Hansard*. At that time he reminded hon. members that the Standing Committee on Veterans Affairs at its meeting of June 22, 1972, requested that a study be undertaken to identify any physiological or psychological long-term effects which their incarceration may have had on ex-prisoners of war of the European theatre, numbering approximately 7,500. The government accepted this recommendation and on January 31, 1973, the study was undertaken by Dr. J. Douglas Hermann, a distinguished Canadian surgeon. Dr. Hermann's report was tabled in the House of Commons on Monday, November 18, 1974. It was subsequently referred to the standing committee for study on Wednesday, March 26, 1975, and the committee reported back to the House on Thursday, June 12, 1975.

In the meantime I have held consultations on this very important subject with my colleagues. As I confirmed last Thursday, this matter is still under active consideration by the government.

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

Motion agreed to and the House adjourned at 10.19 p.m.

HOUSE OF COMMONS

Tuesday, November 25, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PENITENTIARIES

REQUEST FOR REPORT ON ALLEGED GASSING AND BEATING OF INMATES AT MILLHAVEN—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of recent reports of gassing and beating of inmates at Millhaven penitentiary and in view of the fact that this was not an isolated incident in our penitentiary system and that the Solicitor General has neglected or refused to make public the report by the Canadian Penitentiary Service on the said gassing and beating allegations, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House direct the Solicitor General to immediately make a report on motions on the gassing and beating incident at Millhaven Penitentiary on November 3, 1975 and to advise the House on this government's policy with respect to publication of findings by the Commissioner of Penitentiaries of guard brutality.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

OLYMPIC GAMES

REQUEST THAT QUEEN NOT BE INVITED TO OPENING—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important matter.

Since the federal government has decided not to give any financial aid to the Montreal Olympic Games in 1976 and that Quebec becomes solely responsible for the costs of those games as well as the expected deficit, since most Quebecers do not really consider Queen Elizabeth II as their Queen and since also the people will massively object to the official opening of those Olympic Games by the Queen, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That no invitation be extended to the Queen to open officially the 1976 Quebec Olympic Games and that if steps have already been taken, they be cancelled.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR STATEMENT ON POSSIBLE SEIZURE OF LIBERAL PARTY RECORDS SHOWING DONATIONS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move the following motion, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the Solicitor General be requested to advise the House immediately as to whether records of the Liberal Party of Canada showing donations received during the period of January 1, 1968 to July 31, 1975 have been turned over to the Royal Canadian Mounted Police in connection with the current investigation concerning Senator Giguère and matters related thereto and, if not, whether the Solicitor General will forthwith instruct the RCMP to obtain a warrant to seize such documents in order that actual amounts of money received by the Liberal Party of Canada can be compared with amounts showing as having been collected for the Liberal party by Senator Giguère, and finally, in order to compare names appearing as Liberal party donors solicited by Senator Giguère for any similarity to the names appearing on the guest lists of the Bonaventure Golf and Country Club in Fort Lauderdale and the Indian Creek Country Club near Miami.

● (1410)

Mr. Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Finance

POST OFFICE

SUGGESTED INDICATION OF APPRECIATION OF EFFORTS OF EMPLOYEES TO DELIVER MAIL IN LIGHT OF STRIKE CONDITIONS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity. Because of the fact that the Canadian Union of Postal Workers is unwilling to take a poll of its membership by secret ballot on the government's final wage offer, which in fact takes freedom of choice away from its members and therefore causes undue hardship to all Canadians by resulting in the continuation of the postal strike, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House records its appreciation of the efforts of all those postal workers who are presently taking the initiative and the primary responsibility in delivering the mails to the public under extremely difficult conditions, and this House is assured thereby that the demonstrated ability of these postal workers to assist the public will attract other colleagues to their cause, and this House directs the Postmaster General to make known this record of appreciation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

SUGGESTION THAT GOVERNMENT PROHIBIT ADVERTISING BY FINANCE COMPANIES—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion of urgent and pressing necessity.

In the light of the fact that we are going through a critical period due to inflation that reduces constantly the true purchasing power of Canadians;

That this serious situation should not allow financiers to take unfair advantage of underprivileged Canadians and that the lending institutions called "finance companies" make the most of the economic crisis at this time by using misleading advertising, trying to make people believe they will be able to solve their problems by borrowing money at high interest rates;

Seconded by the hon. member for Champlain (Mr. Matte) I move:

That the House consider as soon as possible the possibility of abolishing all advertising by finance companies so that they can no longer entice Canadians to borrow beyond their means through misleading solicitation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

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

* * *

[*English*]

OLYMPIC GAMES

REQUEST FOR STATEMENT ON ALLEGED POLICE RAID ON COMMITTEE HEADQUARTERS—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity relating to our Olympic games, and I move, seconded by the hon. member for High Park-Humber Valley (Mr. Jelinek):

That the President of the Treasury Board or the Solicitor General report at the earliest opportunity, perhaps on motions today, as to persistent and, it is believed, reliable reports that the headquarters of COJO in Montreal have been raided by the police.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—POSSIBILITY OF UNION ACCEPTING WAGE OFFER AND RESUMING NEGOTIATIONS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is to the Prime Minister. Apparently the chief negotiator of the postal union met this morning with the Postmaster General. In order that this House can know whether there is any basis for the resumption of serious negotiations at this time, would the Prime Minister tell the House whether the Canadian Union of Postal Workers bargaining committee has accepted in principle the fact that the government's total monetary package is final and that no further increase is possible?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I will take note of that question and refer it to the minister.

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON SECRET VOTE OF UNION MEMBERS—POSSIBILITY OF RESIGNATION OF POSTMASTER GENERAL IF GOVERNMENT OFFER REFUSED

Mr. John A. Fraser (Vancouver South): My supplementary question is to the Prime Minister. Over the weekend the Postmaster General said that if there were a secret ballot and he lost, he would resign.

Mr. Broadbent: That is not what he said.

Mr. Fraser: Was that just an idle threat, or does the government intend to hold a government supervised vote under the authority of the Public Service Staff Relations Act, or otherwise by special legislation, and can the Prime Minister tell the House whether the Postmaster General will stand by his commitment to resign if the union members support the union executive and not him?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the second part of the question was dealt with in previous circumstances. With regard to the first part, I heard hon. members on the other side saying that the hon. member is badly interpreting what the Postmaster General said. I, personally, did not hear him.

STRIKE OF INSIDE WORKERS—REQUEST FOR ESTIMATE OF DAMAGE TO SMALL BUSINESSES

Mr. John A. Fraser (Vancouver South): A further supplementary question for the Prime Minister, Mr. Speaker. In view of the fact that the hon. member for York East, speaking for the government a few days ago, said:

You can talk about small business over there as much as you like but they are learning to adjust.

And in view of the fact that the Postmaster's repudiation of this position in a speech yesterday when he said "small businesses go broke during postal strikes", can the right hon. Prime Minister advise the House whether the Postmaster General's statement was based on information being received by the government and if so, is the Prime Minister prepared to tell this House just how damaging the strike is for small businesses and other people and organizations in Canada?

Mr. Guay (St. Boniface): How is the campaign?

Right Hon. P. E. Trudeau (Prime Minister): I will gladly take note of the question, Mr. Speaker.

STRIKE OF INSIDE WORKERS—GOVERNMENT VIEW OF IMPORTANCE OF EFFECT ON SMALL BUSINESSES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Prime Minister. Yesterday in a speech the Postmaster General referred to the loss of farm income and export sales caused by strikes at grain elevators, docks and railways. In view of the fact that strikes in these areas have led to prompt legislative intervention, is it the view of the Prime Minister that bankruptcy and layoffs in small businesses is of no comparable importance?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION IN VIEW OF EFFECT ON SMALL BUSINESSES

Mr. Bill Clarke (Vancouver Quadra): A supplementary question. Have any efforts been made by the government to assess the hardship and outright damage created by the five week postal shutdown and if so, how would such information affect the Prime Minister's statement that parliament would intervene at a time when the public disservice outweighed the right to strike itself?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I answered to the previous question, I do not have any precise information on that. Some may have accumulated in the Postmaster General's office or other offices.

Mr. Fraser: We are getting it on our side.

Mr. Trudeau: If the hon. member has the information he should not have asked the question.

Mr. Lambert (Edmonton West): Maybe it is good to get you on the record.

* * *

LABOUR CONDITIONS

REQUEST FOR CLARIFICATION OF STATEMENT BY POSTMASTER GENERAL ON POSITION OF UNION MEMBER IN LABOUR DISPUTES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Prime Minister and arises from the speech the Postmaster General made yesterday at a Rotary Club which included some highly disturbing comments, if accurate. I should like to ask the Prime Minister the following. The Postmaster General is reported as having said:

—the union member today is fighting the ordinary citizen, he's fighting the nation—It's no longer a labour-management conflict where management loses when labour wins, it's a labour-nation conflict—

I should like to ask the Prime Minister if the Postmaster General was stating official government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is obviously a rhetorical one. This is not government policy. This is obviously an opinion but the opinion of a minister who is highly respected by Canadians in general, by many labour representatives in particular. I think the Canadian public, and probably most members of the House, would welcome the minister expressing his concern in this way. It is certain that the labour movement has cause to consider its future in this country in the way things are evolving. I think it is a very important question that all members should be asking themselves.

INQUIRY AS TO POSSIBLE CHANGES IN COLLECTIVE BARGAINING SYSTEM

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question. It was suggested by the Postmaster General that to be opposed to the government as a member of a trade union movement now was to be unpatriotic which goes a little far for a man who believes in civil liberties. I should like to know if it is government policy as expressed by the Postmaster General when he said that the free collective bargaining system in Canada was conceived in a simpler kind of society and requires basic change. I should like to ask the Prime Minister if that is the government's policy and, if so, what kind of basic changes in the

free collective bargaining system that we have in this country does the government have in mind?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member should make it clear that he is not quoting the minister when he used the word "unpatriotic". This seems to be a circumlocution and perhaps a fabrication by the Leader of the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Trudeau: On the question of the labour movement, and its leadership, I think all concerned citizens are entitled to ask those questions just as the labour movement asks itself questions constantly about the leadership the government is giving. I think any citizen and particularly those interested in the future of the labour movement should be asking themselves these questions. They are not right, *ex cathedra*, because they are doing something. I think the country is evolving, institutions are evolving. The government has indicated it has certain studies under way to try to better understand the way things are evolving. I see nothing wrong, on the contrary, with the minister saying that in so many words.

* * *

● (1420)

POST OFFICE

STRIKE OF INSIDE WORKERS—SUGGESTION NEGOTIATIONS BE CONDUCTED BY PRESIDENT OF TREASURY BOARD RATHER THAN POSTMASTER GENERAL

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. The Postmaster General's words were "fighting the nation". When a critic of a government is said to take an anti-nation stand that amounts to saying he is unpatriotic.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Broadbent: Mr. Speaker, may I direct my final supplementary question to the Prime Minister? Given this attitude on the part of the Postmaster General, and the crucial importance of having a fair-minded person conducting negotiations with the postal workers so that the postal service can be restored, will the Prime Minister, in all seriousness, not consider reverting responsibility for these negotiations to where it belonged in the first place, to the President of the Treasury Board?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I assert again that the government has entire confidence in the abilities of the Postmaster General.

Some hon. Members: Hear, hear!

Mr. Trudeau: Since he is not here, since I have not read his speech but heard the hon. member quoting and read some quotations, I think the minister might be given the chance to send a copy of his speech to the hon. member. I repeat: in a society in which every day the labour movement and, indeed, the NDP can criticize the government of the country, I see nothing wrong with another citizen talking about the future of the labour movement—

[Mr. Broadbent.]

Mr. Broadbent: Not even when he says they are against the nation?

Mr. Trudeau: —and asking himself if the course they are on is a productive one for the future of this nation.

* * *

[*Translation*]

AGRICULTURE

REQUEST THAT FLUID MILK SUBSIDY BE RE-ESTABLISHED

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

Yesterday, in reply to a question I directed to him, the Minister of Consumer and Corporate Affairs suggested that I should advertise to convince Canadians to drink more milk. I wish therefore to respond to his invitation by directing a question to the Minister of Agriculture. Considering that our milk powder surplus may result from our fluid milk surpluses being channelled towards milk-processing industries, may I ask the minister whether he is willing to suggest to his Cabinet colleagues to restore the grant on the quart of fluid milk, in order to increase milk consumption and reduce the amount of milk channelled towards processing plants?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

As his answer was very short, I should like to ask the minister if, given the fact that this policy has been applied for two years and that the government has thus paid $108 million to the consumers, the government considers it has made a mistake at that time and does not want to repeat it today?

[*English*]

Mr. Whelan: Mr. Speaker, that policy was initiated two years ago when we had not adopted social services more advanced than those of any nation in the world. Those services were adopted after the policy was announced.

* * *

SPORTS

CONGRATULATIONS TO EDMONTON ESKIMOS ON WINNING GREY CUP

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, with your indulgence, may I congratulate both teams for their gentleman-like and sporting manner of participating in the Grey Cup classic last Sunday, particularly my old team, the Edmonton Eskimos, who again distinguished themselves in a manner worthy of the great teams of the past, and you, Mr. Speaker for your attending with Mrs.

Jerome and adding luster to the occasion. Fortunately, no points of order required your intervention. Also, may I ask the Prime Minister if he has a report for the House on the athletic and political disaster which overtook his team last Sunday? Would he accept this suggestion: that next year he stay home and send Justin alone? Before the Prime Minister replies, I would like to remind him, speaking of Polish Canadians, of the well-known Polish proverb which I will translate into French, "Demandez un bœuf pour avoir un œuf."

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must join the hon. member in congratulating the Edmonton Eskimos for a very fine performance.

Some hon. Members: Hear, hear!

Mr. Trudeau: I certainly cannot conceal that I was slightly disappointed with the result. I can tell the hon. member that I hedged my bets because my son Justin, who had the good fortune of sitting in the lap of the queen, drew conclusions. First, he was shouting for the Eskimos; second, he seemed very enthralled with the monarchy.

Some hon. Members: Hear, hear!

Mr. Trudeau: Apart from the Polish proverb, which I did not quite understand, my only puzzlement is why the hon. member for Edmonton Centre did not show up yesterday in the House of Commons.

* * *

ROYAL CANADIAN MOUNTED POLICE

REASON FOR ALLEGED SEIZURE OF DOCUMENTS FROM MAIN CONTRACTORS FOR OLYMPIC VILLAGE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I wish to put my question to the Solicitor General. Is he aware of the fact that the offices of the main contractors of the Olympic Games were raided this morning by the RCMP and other police forces, and COJO files with regard to the Olympic village were taken. Will the minister advise for what purpose these files were taken and whether he was aware of this?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I have mentioned over and over again, we do not discuss criminal investigations in the House of Commons.

Mr. Jelinek: Is the minister aware that Joseph Zappia, one of the men involved in the consortium of the Olympic village and who also had contracts for the packaging of Olympic coins as well as the packaging of the new postal stamp memorials, is involved in this and possibly Senator Giguère as well? Is that the reason—

Mr. Allmand: Mr. Speaker, the opposition seems to have a lot of information with respect to these cases. If the hon. member has some additional information, he should see the police privately, rather than raising this in the House of Commons.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSITION OF GOVERNMENT ON APPLICABILITY OF GUIDELINES TO PROVINCIAL MARKETING BOARDS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is to the Minister of Finance. In view of the fact the minister is about to meet with the provincial finance ministers and, we understand from the press, that one of the subjects to be discussed is the inclusion of marketing boards under the legislation now before the House, will the minister advise what position he intends to place before his provincial counterparts? I ask this in view of his reply when the bill was before the committee that the present legislation cannot in fact force marketing boards to roll back prices if they cannot be justified.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we are going to suggest to the provincial governments the same manner of control that we have suggested with regard to the two or three federal marketing boards which are in a position to set prices. While the Anti-Inflation Board will have the responsibility of monitoring increases in prices of particular products and making reports on them, the provincial agencies, which I understand exist throughout Canada for the purpose of monitoring the work of the marketing boards, should have responsibility for rolling back any prices which are in excess of the guidelines. As the hon. gentleman knows, I have suggested that the National Farm Products Marketing Council, in the case of federal marketing agencies, should have that responsibility, in the light of appropriate reports from the Anti-Inflation Board, to roll back prices which exceed the cost-price pass through factor proposed for other prices.

* * *

● (1430)

AGRICULTURE

EGGS—POSSIBLE DETERMINATION BY NATIONAL FARM PRODUCTS MARKETING COUNCIL OF JUSTIFICATION FOR PRICE INCREASE

Mr. James A. McGrath (St. John's East): A supplementary to the Minister of Agriculture who answers for the National Farm Products Marketing Council. It arises from the letter written by the Canadian Egg Marketing Agency to the Anti-Inflation Board in which the latest increase in the price of eggs is justified on the basis of an upward change in feed prices in one major province. Is the minister satisfied with this rationale, has he discussed this matter with the National Farm Products Marketing Council and does he intend to instruct the Council to determine to its satisfaction whether such an increase in the price of eggs can be justified at this time?

Hon. E. F. Whelan (Minister of Agriculture): I am meeting with the Farm Products Marketing Council later this day to discuss that matter.

Oral Questions

LABOUR CONDITIONS

STRIKE OF PULP AND PAPER WORKERS—REQUEST FOR ACTION TO HAVE NEGOTIATIONS RESUMED

Mr. Gilbert Parent (St. Catharines): Mr. Speaker, my question is addressed to the Minister of Labour. In view of the fact that the paper mills in the Niagara Peninsula have been on strike since the beginning of July, and bearing in mind that no meaningful negotiations have taken place for weeks, would the minister advise the House whether he proposes to take any action to get the employers and the strikers back to the negotiating table?

Hon. John C. Munro (Minister of Labour): Technically, of course, this dispute falls within provincial jurisdiction. However, I have urged the employers in this particular case to desist from their present destructive strategy which is hurting the economy and sit down with the employees in question in an endeavour to arrive at a resolution of this issue, arrive at a collective agreement, and if necessary submit it to the Anti-Inflation Board.

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SUPPLY AND SERVICES

SUGGESTED ARRANGEMENTS FOR EARLY DELIVERY OF FAMILY ALLOWANCE CHEQUES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Supply and Services? In view of the fact that family allowance cheques—namely one cheque for November and December—are said to be in the various provincial capitals, could not arrangements be made for those cheques to be delivered right away, and an order be given to the banks that they could be cashed right away, thus avoiding the danger of scalpers exploiting the recipients of these cheques?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we had of course provided for the distribution of those cheques on December 4 in the whole country, except in Toronto where this distribution would take place on December 5. However, I will certainly look more carefully into this problem, in light of the hon. member's remarks.

From the administrative point of view, it would be extremely difficult to distribute the cheques earlier but I will surely look into it with sympathy.

* * *

[*English*]

INDUSTRY

DECLINE IN INDUSTRIAL PRODUCTION—INQUIRY AS TO MEASURES TO STIMULATE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Statistics Canada having just reported that the index of industrial production took another sharp drop in the third quarter, and that in the last month of that quarter the index declined at an annual rate of 23 per cent, would the minister advise the House when he will be announcing to this chamber the steps he and his department are planning to take to reverse this serious, and, now, longstanding trend?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): I do not know of any specific statement I will be making in the House. With regard to the most recent figures, though, the hon. member will appreciate that while I do not quarrel with the premise of his question, namely, that industrial production is not what it should be, the most recent figures are, I believe, a result of the very lengthy shutdown in the pulp and paper industry. I am considering a number of productivity proposals and I have been meeting, as the hon. member may know, with various business groups—there is to be another meeting tomorrow evening—and out of this will hopefully come some indication as to means of improving productivity. The real answer, of course, would be a major upturn in the United States market which would be of substantial advantage to us in enabling us to sell more to that country.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF GUIDELINE TO PROVINCIALLY OPERATED UTILITIES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a supplementary question to the Minister of Finance arising from the question asked by my hon. friend from St. John's East. I gathered from the minister's answer that the provincial marketing boards will be asked to assume jurisdiction to roll back any price increases but that the Anti-Inflation Board will be carrying out the monitoring. Could the hon. gentleman tell the House whether there has been any agreement entered into with respect to this matter, and could he also inform us whether the same principle would be applied to the provincially-operated utilities—hydro commissions, telephone companies and so on—which are engaged in the marketing business in the provincial sphere?

Hon. Donald S. Macdonald (Minister of Finance): The hon. gentleman did not understand me correctly. The suggestion has been made by way of a document which they will be considering tomorrow, that in the same way as the governing or parent body for federal marketing agencies, the National Farm Products Marketing Council, will have the responsibility at the federal level of carrying through effective decisions with regard to a marketing agency, the same kind of parent body should take similar action where it exists in a province, or there should be action by the provincial government itself. In addition, we have proposed to the provinces that goods and services supplied by provincial agencies should be monitored in the same way, for example, Ontario Hydro or the Ontario Liquor Control Board. I would have to say there has been some discussion between the provinces and the federal government as to the manner in which these agencies should be monitored and restricted. This will be another subject for discussion at the meeting tomorrow.

FOREIGN INVESTMENT REVIEW BOARD

PROPOSED REFERENCE OF ANNUAL REPORT TO COMMITTEE—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Last week I asked him whether he was prepared to consult with the House leader and refer the annual report of the Foreign Investment Review Board, for consideration by the Standing Committee on Finance, Trade and Economic Affairs. Is the minister in a position to answer that question today?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): I am, to the extent that I have discussed with the House leader the business to be conducted before, hopefully, we rise on December 19. I think it was generally concluded we would not be able to deal with the matter of the report before that time, but I will be glad to ensure it is referred to the committee in the New Year as appears to be sensible and appropriate.

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HIGHWAY SAFETY

SUGGESTED SURVEY TO IDENTIFY HIGHWAY KILLER STRIPS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to ask the Prime Minister whether in view of the war on crime and accidents in general, he would consider the 6,000 people who were killed on the highways of Canada last year and the 160,000 who were maimed or crippled for life, and advise us whether a survey might be made to identify the killer strips which account for most of these accidents in Canada.

Right Hon. P. E. Trudeau (Prime Minister): I think the question has a great deal of merit but I am not sure whether such a survey could be conducted by the federal government even under the umbrella of the war on crime. I will certainly discuss the suggestion with my colleagues and see whether there is something the federal government could be doing. If not, perhaps it is a suggestion which the provinces will co-operate in implementing.

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[*Translation*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF QUEBEC BILL 64 TO MARKETING BOARDS

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I want to put a question to the Minister of Finance.

Can the minister tell the House if he has been able to check with the government of Quebec whether Bill 64 makes the marketing boards of that province subject to the guidelines and, if so, does he intend to make representations to the government of Quebec?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I just said, tomorrow we shall urge the provincial governments to set their own control over the boards, much as we propose to control federal boards.

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[*English*]

EXTERNAL AFFAIRS

DELAY IN PRESENTATION OF CREDENTIALS BY CANADIAN AMBASSADOR TO FRANCE—REQUEST FOR REPORT

Mr. Speaker: The hon. member for Saint-Hyacinthe.

Some hon. Members: Hear, hear!

Mr. Claude Wagner (Saint-Hyacinthe): I thank hon. members on both sides of the chamber for their good wishes. My question is directed to the Secretary of State for External Affairs and is on the very important question of France-Canada relations. Could the minister advise the House of the latest progress concerning the cooling of heels by our ambassador to Paris; and would he also add whether we should expect, as a result of the forthcoming visit to Paris of our very responsive Minister of Industry, Trade and Commerce, that the disgraceful situation will be settled once and for all?

● (1440)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I would want to assure the hon. member that there is no disgraceful situation. The Canadian ambassador to the French government has not yet presented his credentials. The proposed date for the presentation of credentials by Mr. Pelletier was postponed, as it was in the case of several other ambassadors who were expected to present their credentials on the same day, at the request of the President because of administrative responsibilities both within and outside France. I would ask the hon. gentleman not to draw any unwarranted conclusions from this postponement, which is quite normal in the circumstances.

Mr. Wagner: A supplementary question, Mr. Speaker. Would the minister kindly advise the House whether the credentials will be presented prior to a settlement of the postal strike?

Mr. Speaker: Order, please.

POSSIBILITY OF DISCUSSIONS WITH UNITED STATES ON BROADCASTING POLICY AND DELETION OF CABLEVISION COMMERCIALS

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Secretary of State for External Affairs. Has the minister received a request for government to government talks with the United States concerning Canadian broadcasting policy in general and the commercial deletion policy of the CRTC specifically?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, on the occasion of Dr. Kissinger's visit to Ottawa some weeks ago the deletion policy was discussed. At that time it was agreed that talks between Canadian and United States officials would be

held, subject to the condition that the question was before the courts. These talks have not yet taken place.

Mr. Balfour: Mr. Speaker, I have a supplementary question. Has the minister been advised through his Washington ambassador or otherwise of the possibility of economic retaliation against Canadian economic interests by the United States in the event that the broadcasting issue is not resolved?

Mr. MacEachen: No, Mr. Speaker, no such view has been conveyed to me.

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THE MINISTRY

DATE OF ANNOUNCEMENT OF APPOINTMENT OF MINISTER OF COMMUNICATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct my question to the hon. Prime Minister, who knows that I do not ask unreasonable questions or make unreasonable demands upon him. Would the Prime Minister tell the House when we may expect the appointment of a Minister of Communications?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. Leader of the Opposition has made a very reasonable request and I will attempt to satisfy him in the very near future.

* * *

ENERGY

URANIUM—REQUEST FOR TABLING OF EXPORT CONTRACTS—ASSURANCE OF FUTURE SUPPLIES FOR CANADA

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Since the minister's announcement of yet more uranium export contracts brings the total of low-cost Canadian uranium being sold to foreigners to about one-fifth of Canada's total supply, will the government table specific details of the contracts governing these exports?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, these are commercial contracts entered into between exporters and purchasers abroad. They were screened by the Atomic Energy Control Board to ensure that several particular points in our policy were met; first, that the prices met world prices; second, that this uranium was surplus to Canadian needs and that Canadian policy was fully met; and third, that satisfactory safeguard arrangements would be negotiated.

Mr. Gillies: A supplementary question, Mr. Speaker. Does the minister, therefore, give his assurance to the House that these massive commitments in no way jeopardize Canada's future supplies of uranium?

Mr. Gillespie: Yes, Mr. Speaker.

[Mr. MacEachen.]

NATIONAL FILM BOARD

PROPOSAL THAT OPEN COMPETITION WITH BOARD BE PERMITTED—GOVERNMENT POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Secretary of State. Is the minister planning an amendment to the National Film Board Act which would delete sections 9 and 11, and does he not think that a 30 year monopoly for the National Film Board is enough to establish it and to let it compete openly with the film industry in general?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I have had these representations made to me by a variety of sources within the industry. I have promised to look into them, but I am not sure that is the remedy.

* * *

[*Translation*]

INDUSTRY

POSSIBLE DEVELOPMENT OF SALT MINES IN ÎLES-DE-LA-MADELEINE IN VIEW OF SHORTAGE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

As huge quantities of salt have been discovered in the Îles-de-la-Madeleine, and as there seems to be a shortage of salt in Canada, can the minister tell the House whether steps have been taken to exploit those salt mines and make up for the present shortage of salt in this country?

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not personally aware of any initiative along these lines. May I take the question as notice so I can inquire for the hon. member and reply to him later.

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NORTHERN AFFAIRS

PROPOSED RATE INCREASE BY NORTHERN CANADA POWER COMMISSION—SUGGESTED FREEZE ON PUBLIC UTILITY RATES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to ask the Minister of Indian Affairs and Northern Development a question regarding the Northern Canada Power Commission. On Thursday I asked a similar question and I am sure that today the minister realizes that I am talking about the proposed increase for November, 1976. In view of the fact that wages will not be allowed to increase beyond 10 per cent under the government's anti-inflation program, what steps will the minister take to protect consumers in Yellowknife from this 113 per cent increase; and has the minister considered a freeze or a subsidy on public utility rates until the wage controls are lifted?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, after the question

was posed by the hon. member, I checked into it and found that the increase which was proposed for February has been cancelled. But he is quite right in indicating that an application has now been made for an increase in November of next year. I have asked that the increase be examined very carefully and that it be submitted to the Anti-Inflation Board. In addition, the parliamentary Committee on Indian Affairs and Northern Development of which the hon. member is a member, will have the opportunity to examine the Northern Canada Power Commission on estimates between now and the time that the increase comes into place.

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AGRICULTURE

REQUEST FOR STATEMENT OUTLINING HOW MARKETING BOARDS SET PRICES

Mr. Wm. Andres (Lincoln): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Headlines were focussed upon the Canadian Egg Marketing Agency last week, emphasizing the one cent increase in the price of a dozen eggs, but the news media did not see fit to inform the public of any possible reason behind a price change at this time. No mention was made of the large increase in the price of heating fuel, which among other things is a major contributor to the cost of production. CEMA was referred to as representative of all marketing boards, which according to Mrs. Plumptre are price setters.

Mr. Speaker: Order, please. If the hon. member has a question, would he put it.

Mr. Andres: Mr. Speaker, I am wondering whether the minister could inform the House how marketing boards actually negotiate prices for their commodities.

Mr. Speaker: Order, please.

Some hon. Members: Order paper.

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HEALTH

PROPOSED GRANTS TO HEALTH ORGANIZATIONS WHOSE CHRISTMAS APPEALS HAVE BEEN HURT BY POSTAL STRIKE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Is the government giving consideration to special hardship or ex gratia grants to the Tuberculosis and Respiratory Diseases Association, the Canadian Mental Health Association, UNICEF and any other group whose Christmas appeals have been literally devastated by the postal strike?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, like the hon. member I deplore the impact of the postal strike on the organizations concerned, and I merely hope that the conflict will be settled as soon as possible; however, I am not, for the time being, considering the possibility of adopting special financial measures in that regard.

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[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a supplementary question to the Postmaster General. Would he advise the House and the people of Canada how much more time he needs before he will recommend that this House move by way of legislation to require a resumption of postal service?

Mr. Speaker: Order. On a previous occasion I have ruled that it was in perfect order to ask whether or not plans were underway or under consideration in regard to taking such a step, but a question asking how much time is going to elapse before certain other events take place has a large hypothetical measure to it and in my view is not permissible.

Mr. Alexander: Then would the minister advise whether he has now reached the stage where he is prepared to recommend to his colleagues that legislation be introduced to see to it that a resumption of normal postal service is at hand?

● (1450)

Hon. Bryce Mackasey (Postmaster General): Well, the hon. gentleman makes his question difficult to answer since he has not specified what type of legislation he has in mind.

Mr. Alexander: Mr. Speaker, I resent the Postmaster General playing footsie with a very important subject. He is well aware of the type of legislation I am discussing. It is back-to-work legislation. Would he now answer the question.

Mr. Mackasey: Mr. Speaker, the reason I asked the question in all sincerity was that there are two types of legislation, one asking the government to legislate its own employees back, which normally is reprehensible legislation. The other is legislation which I thought was advanced the other week in a very serious manner which would recommend to the Public Service Staff Relations Board that they hold a secret ballot for the union members which would be much more acceptable in light of the fact that the board is superior to both the government and labour. Probably that would have happened by now if the NDP Party had not in turn stymied us and recommended a 52 per cent increase as basis for a settlement.

Oral Questions

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR ASSURANCE ORDERS OF BOARD SUBJECT TO SCRUTINY OF COMMITTEE ON STATUTORY INSTRUMENTS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Finance as soon as the chorus had died down. Having in mind the interpretation placed on statutory instruments by officials of the Privy Council, will the minister affirm the fact that orders of the Anti-Inflation Board and the administrator will in fact be considered as regulations and as such subject to scrutiny by the Joint Committee on Statutory Regulations.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, perhaps I could refer the hon. gentleman to the rather extensive answer I gave on that point to the standing committee when Bill C-73 was before it in response to the hon. member for Halifax who is the joint chairman of the committee. There were some very precise questions in this area and I sought to answer them with the same precision.

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NATIONAL DEFENCE

GOVERNMENT POSITION ON CONSTRUCTION OF CONTAINER FACILITY AT WRIGHT'S COVE IN VIEW OF PROXIMITY OF NAVAL MAGAZINE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of National Defence. Because of the time I will add a supplementary. Would the minister indicate to the House the present status and nature of the conversations between his department and the province of Nova Scotia with regard to the container pier facility proposed at Navy Island Cove and as well whether or not the government has determined, in respect of these same discussions, whose ultimate responsibility it is for safety measures and the whole question of the proximity of the proposed development to the naval magazine.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I know the provincial government has a plan to construct a container facility. One of the possible sites was Wright's Cove in the Bedford Basin. We have indicated to the government that the Canadian forces naval magazine is in that area and that it would therefore not be a practical place to build. I understand the provincial government is now considering other locations.

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PENITENTIARIES

MILLHAVEN—GOVERNMENT POLICY ON PUBLICATION OF COMMISSIONER'S REPORT ON GASSING AND BEATING OF INMATES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct a question to the Solicitor General. In view of the fact that the Solicitor General either has neglected or refused up to now to give us a full report on the Millhaven incident of November 3, can he now advise the House whether he can now give us a full report and tell us what the government's policy is in respect of making public the findings of the Commissioner of Penitentiaries in cases of proven beatings or gassing of inmates by guards.

Hon. Warren Allmand (Solicitor General): Well, Mr. Speaker, to begin with there is no written report of the Commissioner of Penitentiaries in respect to this incident. It is true there was an incident a short while ago when a guard is alleged to have used gas contrary to the regulations of the penitentiary service. When the officials of the penitentiary found that out they immediately suspended him from duty. He appealed the suspension. That appeal is presently awaiting hearing. We will have more to say once the hearing has been held. It is true that a gassing did take place contrary to the regulations and that one of the inmates was injured to a certain extent as a result of that. There were some other incidents related to that happening.

POSSIBILITY OF PUBLIC INQUIRY INTO GASSING AND BEATING OF INMATES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, would the Solicitor General advise the House whether or not the news report over the weekend to the effect that the Commissioner of Penitentiaries will be conducting public hearings is correct and if, in fact, that will be the case with regard to this incident and other incidents of a similar nature in penitentiaries across Canada.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, what we are considering is an investigation by the correctional ombudsman. She is presently away from Ottawa. I have tried to reach her by phone. I had some preliminary discussions with her. That may be possible.

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MANPOWER

GOVERNMENT ACTION TO ASSIST ESSEX PACKERS EMPLOYEES WHO FACE LOSS OF EMPLOYMENT

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Some days ago I asked the minister what steps his department was considering taking to assist the Essex Packers workers in Hamilton who face the loss of their jobs. I wonder if the minister is now in a position to report any progress in providing assistance in this sorry situation.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there has been considerable consultation with the representatives of the firm and the union, particularly on behalf of my colleague the Minister of Industry, Trade and Commerce and the Minister of Labour who has a special interest in it. I believe there are some potential offers in the state of development now and I think we will have some news within the next few days.

PENITENTIARIES

GOVERNMENT MEASURES TO PREVENT ESCAPES—SUGGESTED RECONSIDERATION OF POLICY OF CONCENTRATING INSTITUTIONS IN ONE AREA

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is directed to the Solicitor General. In view of the reported increase in the number of escapes from penal institutions in my riding, including three from Agassiz prison on November 3, two from Matsqui Institution on November 8, one from Agassiz prison on November 21 where a dangerous sex offender escaped in a late model truck carrying the insignia of the Solicitor General and three from Matsqui on November 22 involving one convicted rapist and murderer, one habitual and dangerous criminal, and one habitual criminal, what steps is the Solicitor General taking to deal with these inexcusable situations and to provide security for the communities?

Hon. Warren Allmand (Solicitor General): Well, Mr. Speaker, I am surprised to hear about these escapes and I will check into them immediately. All I can tell the hon. member is that in the last two years we have considerably increased our security in the penitentiaries by putting in double fences, new outlook posts and so on, with the result that over the last year and a half our escapes from the penitentiaries have decreased by about 50 per cent. Whether there is a particular problem in the Fraser Valley, I will check that out, but I am very surprised to hear this information.

Mr. Patterson: Mr. Speaker, in view of the lack of security and resultant danger to citizens, will the minister reconsider his policy of concentrating these institutions within a relatively small geographic area?

Mr. Allmand: Mr. Speaker, that is our policy now. One of the difficulties is getting consent or agreement from other municipalities in British Columbia to accept some of our institutions. We would gladly spread them around the province.

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NORTHERN AFFAIRS

SUGGESTION THAT POLITICAL, ECONOMIC SOCIAL DEVELOPMENT OF NORTHWEST TERRITORIES BE REVIEWED

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Prime Minister. In view of the recommendations contained in the 1966 report of the Advisory Commission on the Development of Government in the Northwest Territories, commonly known as the Carrothers report, to the effect that there should be a decennial review of the political, economic and social development in the Northwest Territories, can the Prime Minister advise whether or not he is planning such a review in the immediate future?

● (1500)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): I am sorry, Mr. Speaker, the Prime Minister just caught my eye. I missed the first part of the question.

Mr. Neil: Mr. Speaker, I will direct my question to the Minister of Indian Affairs and Northern Development. I am referring to the recommendations contained in the Carrothers report regarding a decennial review of the government in the Northwest Territories. Is the minister considering a review at this time?

Mr. Buchanan: We have been looking at that report and giving some consideration as to whether we should be establishing a similar commission or exactly how we should approach the matter. As you know, the report suggested a decennial review and re-examination of the division of the territories at the time of that review.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

TABLING OF TERMS OF REFERENCE OF PANARCTIC AIR CRASH INQUIRY

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I wish to table copies of the terms of reference of the Panarctic air crash inquiry dated November 25, 1975, as well as the name of the commissioner of the inquiry.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,173, 3,178 and 3,302.

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

[*Text*]

POLLUTION ABATEMENT TECHNOLOGY

Question No. 3,173—**Mr. Marshall:**

1. Did the Minister of the Environment offer to enter into contracts with all Canadian paper companies regarding pollution abatement technology cost sharing arrangements so that all paper companies can install facilities to permit recycling of process effluents similar to its contract of $1,158,000 with the Great Lakes Paper Company Ltd. of Thunder Bay and, if so, were offers made to Bowater's Nfld. Ltd., Price Bros. Ltd., and Labrador Linerboard Ltd.?

2. If offers were not made to these companies can they qualify and, if so, what are the terms of reference?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): 1. No. The DPAT Program covers development of new technology and the demonstration of that technology to show that it can work under Canadian industrial conditions. The new technology, once demonstated, precludes entering into contracts with other Canadian companies by the Department of the Environment (the new technology will be freely available to other Canadian companies). Contracts with respect to the Program are awarded as a result of industry initiating action through the submission of a proposal.

2. As the contract for this particular type of technology has been awarded to the Great Lakes Paper Company Ltd., other companies would not qualify for financial assistance. However, should any company in the paper industry submit a proposal pertaining to new pollution abatement technology that could be developed an demonstrated, that company would be eligible for financial assistance through the DPAT Program, given a favourable technical assessment.

● (0000)

STATE OF THE ART OF KNOWLEDGE

Question No. 3,178—**Mr. Marshall:**

What is (a) Canada's position (b) the meaning of the application of fundamental means to apply "State of the Art of Knowledge" to the management and protection of the marine environment as stated by the Minister of the Environment at the opening session of the 63rd Annual Meeting of the International Council for the Exploration of the Sea in Montreal on September 29, 1975?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): Canada's position is that effective management of the living and other resources adjacent to the shores of a coastal state requires that the coastal state have the right and jurisdiction, clearly detailed in international law, which will enable it to manage and protect the marine environment and the resources therein, on the basis of the most up-to-date current information and techniques.

PANARCTIC OILS LTD.

Question No. 3,302—**Mr. Forrestall:**

1. Is the Minister of Energy, Mines and Resources aware of the statements in the press attributed to the President of Panarctic Oil during the week of October 20 to 24, 1975 indicating the possibility that Panarctic Oil will purchase three Scandinavian crude oil tankers for transport of Arctic oil to market should that be feasible?

2. Is the Minister aware of the extent of participation in Panarctic Oil by the government and its agents and, if so, to what extent is this participation?

3. Has the Minister examined the implications of going outside Canada for such vessels in terms of the long-term viability and health of the Canadian ship-building industry and trade balance and (a) if so, what conclusions have been reached (b) if not, for what reason?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. Yes.

2. Yes. The federal government has a 45 per cent equity participation in Panarctic Oils Lts.

3. Prior to any decision on the marketing of oil from Arctic Islands sources a thorough appraisal will be made of all transportation possibilities, with full regard to the capabilities of the Canadian ships-building industry.

[Mr. Baker (Gander-Twillingate).]

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House proceeded to the consideration of Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, at the outset of this stage of Bill C-73 I would like to raise a point of order, as I did the other day, regarding the technical relationship of the recommendation with the contents of the bill. I need not repeat what I said the last time with the exception that on the occasion of second reading of the bill on October 22, I raised the question as to clause 26(2) and clause 46, particularly clause 46(2) and what follows, in that they did not conform with and went beyond the concluding words of the recommendation "and to provide for the measure to expire on December 31, 1978". We know that these words are clear, unambiguous and unequivocal. They limit the power of spending money, the application of the act and all those things that flow from it.

Mr. Speaker agreed with me with respect to clause 26(2) but may I point out, with respect, that the Chair said nothing about clause 46(2). I do not have to quote the words with regard to your ruling, Mr. Speaker, and the appreciation of the situation by the government House leader, but we did have the undertaking then, at my suggestion that we would rather have the bill amended to conform with the recommendation, or vice-versa; that in any case we would not see the bill withdrawn. The minister thought he was introducing amendments at the committee stage to make clause 26(2) conform in this way. However, I would indicate that the mere use of the words "three years" as against "four years" is not sufficient because contingently, as it is quite easily understood, appointment of the officials concerned who are the ones who offend under clause 26(2) could be made after December 31, 1975, and therefore offend under the Act.

Mr. Speaker, there is such a hubbub in the House that it is difficult to get my voice across to you.

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): Thank you, Mr. Speaker. With regard to clause 46(2), may I say that the offending portion consists of all the words after the words "This act expires on December 31, 1978, or on such earlier date as may be fixed by proclamation". At report stage of a bill the only Standing Order that deals with an additional recommendation is 75(6). I quote that Standing Order as follows:

When a recommendation of the Governor General is required in relation to any amendment to be proposed at the report stage of a bill, at least 24 hours' written notice shall be given of the said recommendation and proposed amendment.

However, that provision applies only when there is a government amendment, and that requires a further recommendation. There is on the order paper no amend-

ment proposed by the government to clause 46(2). Consequently, the only alternative is that you, Mr. Speaker, should find that your ruling on clause 26(2) that all the words after "proclamation" in line 9 of page 33 offend against the recommendation is applicable and I ask that Your Honour direct that they be struck out.

Additionally, the continuing defect in clause 26(2) should be corrected by limiting the terms of the chairman and the members to the date in the recommendation. In other words, the amendment should not have been for a period of three years as against four years, but the appointments should be limited to the date December 31, 1978. After all, the recommendation is in the clearest possible terms, in the last words, "to provide for the measure to expire on December 31, 1978". There is no mention in the recommendation of a provision for an order in council to be passed prior to that date and that the order in council be debated in the House.

There is now on the order paper, as motion No. 6, a proposal that proceedings before any board or in the courts should have been initiated prior to December 31, 1978, can continue to their termination. That is a new recommendation, but it applies only to court proceedings. Motion No. 6 reads in part:

—any inquiry, investigation, examination, audit, search or proceeding . . . that was instituted before the expiration of this act—

That is, before December 31, 1978, that arises out of any other such inquiry, investigation, examination, audit, search or proceeding that was instituted before the expiration of this act. Of course, included are the powers and the duties of the chairmen and members of the boards in order to deal with the matters referred to. But there is absolutely nothing in the recommendation which authorizes an order in council to continue the act beyond December 31, 1978, and there is nothing that cures the defect in clause 46(2). On that basis, I ask that the Chair examine my proposals. I do not know what the government wants to do on this occasion, but I and my colleagues will be prepared to listen to what they have to say. However, at the moment the bill is really hung up. The ministry have had full notice of the defects. They have missed out on it, in my submission. I have no desire to hold up the bill, but we must have a bill on which we can proceed properly.

● (1510)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, with regard to clause 26(2) I suggest that there is no difficulty in that regard and that quite clearly the bill does provide for a time-frame in which it can receive royal assent. I think there is some expectation that that will happen, so very clearly the maximum period stipulated there is one which would take place within the time-frame set out. Of course, it is not a minimum time-frame but it is a maximum time-frame, and if, as the hon. gentleman says, in the year 1976 it is desired to make an appointment in that particular area, then of course to comply with the statute the appointment would have to be made for a period of less than three years.

My understanding is that the amendments were put in after conversations among the legal advisers of the executive in the Department of Justice and the Law Clerk advising the table. I will be glad to take the direction of the Chair in this regard. I do not intend to offer my own legal opinion on the question but, as Your Honour knows, this was a matter of some consultation.

Mr. Speaker: Order, please. I do not propose to deal definitively with the point at the moment. I would rather reserve it for some time and see if the matter can be resolved. The fact is that the hon. member for Edmonton West (Mr. Lambert) has made reference to the fact that steps were taken in the committee to clear the difficulty in so far as clause 26 is concerned.

Mr. Lambert (Edmonton West): But they did not.

Mr. Speaker: That was my understanding of the remarks this morning. A problem remains, however, in respect of clause 46 which was alluded to briefly in the original argument by the hon. member for Edmonton West in addition to the very direct argument he made about the problem contained in clause 26 and its conflict with the recommendation. As reported at the top of page 8452 of *Hansard* for October 22, 1975, the hon. member said the following:

Incidentally, clause 46(2) authorizes this House, by regulation prior to the expiry of the bill in 1978, to continue the measure in force as specified in the order of the House. But that provision is not in the recommendation.

That provision remains in the bill at the present time and is not in the recommendation. It would appear, therefore, that the same kind of conflict which exists or existed in respect of clause 26(2) remain in respect of clause 46. However, the manner in which that question might be resolved is perhaps one for discussion. Obviously, the recommendation says that the bill must expire within a specific term, at the end of 1978; leaving in the bill the power by order in council to extend the bill beyond that time certainly would appear to be in direct conflict with that provision. Perhaps I could leave the matter because there are several motions to be discussed. Report stage has already been called for this day and it would seem to me nothing would be lost by carrying on with the several motions on the order paper at this time, in the hope that a resolution of the problem will be made.

In terms of the motions themselves, I would say that consideration has been given to the six motions which are outstanding to be considered at report stage. Only one appears to the Chair to be out of order, and I would be prepared to listen to discussion and argument on it. I refer to motion No. 1 standing in the name of the hon. member for York-Simcoe (Mr. Stevens). Perhaps I could simply indicate the difficulty the Chair sees with that motion. Motion No. 1 proposes, basically, to introduce into the bill an obligation or an element of control of government spending. However laudatory that concept or control may be, the question is twofold. First, is this a bill to control government spending, or to control wages and prices, and is it the introduction of a new concept into the bill to extend to the board the obligation, indeed to put a specific control in percentage terms or in dollar terms on government spending? It would seem to the Chair that that is the case. Second, even it were possible, without going beyond the provisions of the bill, to introduce a new concept into the bill, would it be proper and appropriate to do so by way of the amendment to the particular clause—which is what

the hon. member is moving—relating to the application of the bill? Again, it would seem that there is difficulty here.

Contrast that motion with motion No. 2, which directs the board in a particular or specific way to direct its attention toward government spending and to make public its findings in respect of the tabling of estimates. What, in fact, is being suggested in that amendment is not that the board take on the obligation of controlling government spending, but simply that in the powers already given it—which are to make public, or make information known about government spending or policies open to government, among other things, and their effect on inflation, or failure of the government to take advantage of those policies and their effect on inflation—the hon. member proposes to add a specific responsibility, within a certain period of time after the tabling of estimates, the board must make a public declaration in respect of those estimates and the failure or the success of the government in taking advantage of whatever policies were open to it in respect of those estimates.

That directs the board's attention to making public information about government spending and therefore I would submit it is an amendment which the House must consider. Whether it favours it or not is the question the House will decide, but at least it flows from the powers and duties which are placed in the clause which is sought to be amended and does not introduce a new concept. However, simply a statement or a publication about government spending is an extension of the board's powers. Extending it to the point in motion No. 1 where the board would be obligated in fact to control government spending seems to me to be an introduction of a new concept into the bill, and in any case ought not to be introduced under this particular clause. The hon. member for York-Simcoe may want to argue the point.

Mr. Stevens: Mr. Speaker, I am very pleased to hear your reasoning with respect to motion No. 1 and in due course I should like to reply. I was wondering whether the ruling on motion No. 1 could be deferred until later in the debate.

Mr. Blais: Mr. Speaker, I rise on a point of order. I do not think there is any objection to having a deferral. The problem is that if Your Honour decides that perhaps there ought to be argument presented at a subsequent time, I direct the attention of the hon. member for York-Simcoe (Mr. Stevens) to the matter of motion No. 2. I argue that that motion is out of order as well and ought not to be dealt with.

Mr. Speaker: Order, please. The intention of the Chair at the present time certainly would be to accommodate hon. members by deferring argument on motion No. 1. However, because of the remarks I have made, I would prefer to hear argument now on motion No. 2. If I cannot be persuaded otherwise, I think the question of motion No. 2 ought to be discussed.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): My argument with reference to motion No. 2 could apply as well to motion No. 1. It is that the hon. member for York-Simcoe, in his motion, seeks, in effect, to delegate powers to the board which presently rest with the House. It is not only a question of a new concept

[Mr. Speaker.]

in this bill but it is a whole new concept in our constitutional process.

With regard to motion No. 2, the hon. member wishes to have estimates, when they are tabled in this House, reviewed by the Anti-Inflation Board. There is no greater power or jurisdiction which is protected by this House than that of granting supply, and if we read Erskine May's Parliamentary Practice at page 676, he deals quite extensively with the question of financial procedure. He sets out that the House has an obligation, and indeed a right, to review supply if it is being submitted to it by the Crown. In effect, what the hon. member for York-Simcoe wishes to do by his amendment is to have that particular responsibility removed from the House of Commons and placed with the Anti-Inflation Board.

● (1520)

I can understand that the hon. member for York-Simcoe is rather busy and perhaps would like to see that particular power delegated, but unfortunately there are other members of the House who do not feel that it is one of the prerogatives we should remove from ourselves. When we look at the motion, it is quite clear what it sets out. It says that the Anti-Inflation Board, on top of the other powers it might have, shall—

> —make explicit such implications of the failure of the federal government to co-operate in combating inflation by monitoring the respective main and supplementary estimates of expenditures for each fiscal year of such government and publicly commenting, within 21 days after any such estimates are made public, upon any failure, disclose in such estimates, by such government to combat inflation.

Evidently the hon. member for York-Simcoe does not understand the purpose of estimates. Estimates are submitted to this House in order to secure, by the approval of the House, supply for the government. It is the responsibility of this House to review those estimates and dispose of them by approving or withholding supply to the government. By delegating that particular responsibility to the Anti-Inflation Board which is responsible indirectly to this House, the House would be delegating its responsibility to that board. That would not only introduce a new concept on this bill but would seek to amend our constitution by that fact. I would suggest that this particular argument could apply as well to motion No. 1.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I do not object to your decision to defer debate with regard to the procedural acceptability of motion No. 1, but in case it is deferred until a time later this day when I might be in committee, I would say briefly that although I do not agree with the substance of motion No. 1, it seems to me there is a good case for its procedural acceptability. What the hon. member is trying to amend is a clause which provides:

> This act is binding on Her Majesty in right of Canada—

It seems to me that all he is trying to do in motion No. 1 is to spell out the way in which the act is binding on Her Majesty in right of Canada. I will say no more on that point, however. I have put in my nickel's worth in case I

happen to be tied up in committee when the deferred debate takes place.

With respect to motion No. 2, again I am not in sympathy with the substance of the proposal, but it seems to me that the hon. member's right to make the motion should be defended. The Parliamentary Secretary to the President of the Privy Council (Mr. Blais) suggested that motion No. 2 would delegate from the House of Commons to an outside body certain responsibilities that belong to this House of Commons. I do not read the motion that way at all. As I read the motion, what the hon. member for York-Simcoe (Mr. Stevens) is seeking is to give to the Anti-Inflation Board, amongst the studies that it can carry on, amongst the reports that it can make, the right to make a report expressing its opinion on the extent to which the government may be failing to live up to its own anti-inflationary precepts.

It is the responsibility of the government and parliament to make the final decisions. This motion does not give the board the power to make any decisions; it simply expands on the power of the board to make reports expressing opinions. I draw to the attention of the Parliamentary Secretary to the President of the Privy Council that already in clause 12(1)(e) permission is given to the board to comment on—

—the role to be played by businesses and groups of employees in combating inflation and the implications of the failure of governments, businesses and groups of employees to co-operate in combating inflation.

Mr. Speaker, all the permission does which is already there is to give the Anti-Inflation Board the power to comment on what it believes to be governmental failures. The hon. member for York-Simcoe wants to go on and give it the power to monitor the estimates, main and supplementary, and issue its views as to the extended failures of the government. I agree in practice with what the hon. member for Nipissing is saying, that these are things we should be doing here and that we should not delegate this responsibility—even the right to make these comments—on to someone else. This is parliament's job. But at this point we are not dealing with the acceptability of the substance or the merit of the motion; we are simply dealing with the question of whether it is procedurally acceptable. I think that motion No. 2, even though I am against it in substance, should be allowed procedurally.

Mr. Speaker: I do not think I need trouble the hon. member for York-Simcoe (Mr. Stevens) on motion No. 2. The hon. member for Winnipeg North Centre (Mr. Knowles) and I were saying the same thing, I think, in different words. After consideration, it is the opinion of the Chair that what is set forth in specific terms in motion No. 2 is already possible under clause 12 of the bill. If it is an unwarranted delegation of authority to have the Anti-Inflation Board comment publicly on the failure of the government to take advantage of whatever policies it has—such as control on government spending certainly would be—then it seems to me that power already exists in clause 12(1)(e) on page 12. Simply to go on and say the board ought not only to have the right, but ought to have an obligation, within a certain period, to address itself to the question of government spending as contained in the estimates, seems to me to be an amendment that is procedurally in order.

The fact is, however, there is one other point that was made by the parliamentary secretary that would turn around the word "monitoring". If, in fact, monitoring by this board meant the kind of legislative control that exists in the standing committees of the House and, in turn, in the casting of votes in this chamber, that would certainly be a valid argument. It would seem to me, however, that "monitoring" in the terms of this legislation would simply mean that the board had to address itself to the contents of the estimates before making a public comment on them. In any case, it seems to me that the motion ought to be put and considered, and therefore, I would call motion No. 2 for discussion.

It being 3.30 p.m., I wonder if it would be appropriate to address ourselves to argument on the procedural acceptability of motion No. 1 at five o'clock? Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: Before calling motion No. 2 and proceeding at this time, may I indicate that it would appear that motions Nos. 4 and 5 can usefully be grouped for debate. I think, therefore, that all motions except No. 1 are procedurally acceptable. Motion Nos. 4 and 5 might be discussed together, while motion No. 2 is being discussed, hon. members may want to comment on and consider what I am about to suggest, but it would appear to the Chair that motions Nos. 4 and 5 might be discussed together. An affirmative vote on No. 4 would be taken, I think, to be an expression of opinion on motion No. 5, but I would be prepared to hear comments on that matter.

Mr. Sharp: Mr. Speaker, I do not disagree that we should consider motions Nos. 4 and 5 together. I wonder, however, whether motion No. 3 should not be included since it is, in a sense, consequential and relates to a particular aspect of the limitation of the duration of the bill.

Mr. Stanfield: Mr. Speaker, we would be agreeable to having Nos. 3, 4 and 5 debated together. I share your view, Mr. Speaker, that Nos. 4 and 5 are one subject matter for the purpose of debate, but it seems to me that No. 3 should be put in with them. To bring Nos. 3, 4 and 5 together would, I suggest, facilitate debate in the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have been persuaded while I have been listening. It was to have been my suggestion to put Nos. 3 and 4 together and let No. 5 go by itself, but if the Leader of the Opposition (Mr. Stanfield) does not mind No. 5 being put with the other two, we will not object but that grouping is for debate only.

Mr. Speaker: Motions Nos. 3, 4 and 5 will be grouped together for debate. Motion No. 3 will be voted upon separately. Hon. members might consider whether an affirmative vote on motion No. 4 might constitute an expression of opinion, obviating the necessity for a vote on motion No. 5. Perhaps this can be left for later, if necessary. Certainly, votes can be taken on each motion.

● (1530)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I suggest that a vote on motion No. 4 is necessary. If the vote is carried, we should need to vote on motion No. 3. If it is defeated, there is no point in voting on motion No. 3. The vote on motion No. 5 might be separate.

Mr. Speaker: Perhaps after the motions have been discussed there might be agreement on the manner in which the votes shall be taken. The House will now consider motion No. 2 standing in the name of the hon. member for York-Simcoe (Mr. Stevens).

Mr. Sinclair Stevens (York-Simcoe) moved:

Motion No. 2

That Bill C-73, an act to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be amended in paragraph 12(1)(*e*) by striking out line 28 at page 12 and substituting the following therefor:

"ting inflation and, in particular, shall make explicit such implications of the failure of the federal government to co-operate in combating inflation by monitoring the respective main and supplementary estimates of expenditures for each fiscal year of such government and publicly commenting, within 21 days after any such estimates are made public, upon any failure, disclosed in such estimates, by such government to combat inflation."

He said: Mr. Speaker, much of what I wish to say on motion No. 2 was said in the debate on the form of the motion and whether it is suitable for debate at this time. We feel that an essential ingredient in the federal government's proposed anti-inflation program is restraint in government spending at all levels, particularly the federal government level. We think that the government during the last eight years has demonstrated a surprising lack of restraint over its own spending. The federal budget in the year before this government took power stood at about $10 billion. The current budget calls for federal spending of about $30 billion, or $20 billion more than the government spent in the 1968 fiscal year.

It took 100 years for federal government budgets to rise to $10 billion, yet the present government, in only eight years, has tripled its budget. In the last two years the federal budget has shot up from $20 billion to $30 billion. The government has been on a spending spree, increasing its spending during the last eight years by 25 per cent per year. This is alarming. Most economists in the country agree that government, particularly federal government, spending has contributed to inflation. Another consequential cause is the deficits which have been incurred. The net result has been an excessive increase in this country's money supply.

No controls program will work effectively unless there is restraint in government spending and a more responsible approach taken to the printing of money and expansion of the money supply. That is why we bring forward the present motion for consideration. If the government is sincere, if its anti-inflation program is to be credible, surely it will not object to the Anti-Inflation Board commenting on federal government spending programs. We suggest that within 21 days of the tabling of the main or supplementary estimates in this House, the Anti-Inflation Board should be asked to comment on whether it feels the government is adhering to its own anti-inflation program.

[Mr. Speaker.]

We think this provision is justified in view of some alarming information which came to our attention in committee. We learned that in the 1976 fiscal year government spending will increase by slightly less than 16 per cent over last year's figure. When we attempted to learn how much the government will spend in the 1977 fiscal year, we were given an estimate. Apparently the increase is to be slightly less than 15 per cent. The position is ludicrous. The federal government asks wage earners to restrain their wage demands to 8 per cent, businessmen to restrain their profits and prices, and shareholders to accept lower dividends. But the government will not adhere to its own guidelines when increasing its own spending. Government spending will increase by as much as 14 per cent, although possibly less than 15 per cent.

Figures to be produced later this week will indicate that in the first six months of this year all governments took for themselves an amazing 44 per cent of our gross national product. Contrary to what the government says, the evidence shows that federal government spending has been rising more rapidly than the spending of any other level of government in Canada. That is why we think that a public body like the Anti-Inflation Board should "call it the way it is," especially if the government persists in its spending spree.

Surely the very board charged with monitoring the anti-inflation program should comment on the government's own record? That is all this motion says. I hope that motion No. 1 is procedurally admissible, as its passage would put a cap on government spending. The government claims it will spend $30 billion this year. If the motion passes, government spending will be contained to an 8 per cent increase, or to $2.4 billion more, compared with $4.5 billion more which the government apparently envisages spending in the 1977 fiscal year.

Motion No. 2 simply asks the Anti-Inflation Board to comment on the main or supplementary estimates within 21 days of their tabling. In no way does it detract from the rights of parliament. It simply asks the board to comment on government spending. This is to be a public process which will help the public and hon. members when they consider estimates and the government's spending programs. Surely the government is not alarmed at what the Anti-Inflation Board may find with respect to proposed spending increases. After all, governments now take 44 per cent of the gross national product, an alarming percentage. Other nations have followed the same course, to their detriment. It is time for the government to restrain its own spending and forgo a spending spree that except for wartime has had no precedent in Canada since confederation.

In short, the government must be less secretive and more open with the public concerning its spending. Such frankness on the part of the government now in power would be of wholesome benefit to all Canadians.

● (1540)

Mr. Max Saltsman (Waterloo-Cambridge): Madam Speaker, I have some difficulty following the logic of hon. friends on my right. As I recall their participation over the years, they have been against boards and against anything being taken out of the jurisdiction of parliament and

turned over to those faceless, irresponsible creatures who do not have to answer to anyone. Now they want a board.

I listened very closely to see if I could understand the argument for the board. I do not know on what basis the Conservative party has more confidence in this particular board than in parliament. I do not know whether Jean-Luc Pepin has acquired more wisdom now that he is being paid twice as much as he was as a member of the House of Commons. I do not remember the opposition being particularly enamoured of him at that time, listening to everything he had to say and agreeing with it. He is a fine man and I have no reservations in saying that; however, I cannot understand this new-found total confidence in Mr. Pepin's wisdom and competence, something the conservatives did not accord him when he was a member of this House.

Is Mrs. Plumptre to become all-prescient now that she has been appointed to the board? Does she have a prescience she did not have when she was chairman of the Food Prices Review Board? In other words, does the waving of this magic wand of the government over their heads, and telling them they are now appointed to this mighty board which the government are going to put in place, give them all-wisdom, a kind of superknowledge they did not possess before, more than that of the 264 men and women sent here by the people of Canada? I have been looking for those kinds of geniuses all my life and I have had some difficulty identifying them. I am pleased that the hon. member for York-Simcoe (Mr. Stevens) has finally found two people in whom he can place absolute trust and confidence. It is a delight to see that this has happened.

The difference between the Conservative party and the New Democratic Party is very fundamental. It comes out in this kind of debate. We agree that inflation is a serious problem and important measures have to be taken to contain it. In contrast with the position of the Conservative party, we do not believe that inflation is the only problem facing our society and that it has to be handled without regard to any other problem. In our view, there are two problems equally as serious, if not more serious, and equally as damaging, if not more damaging, to our society. Those two problems are the unjust distribution of income and our abysmal record of unemployment.

This board is being set up for the sole purpose of dealing with inflation. It has no other responsibility. It was not elected by the people. Its mandate is not broad. It is not to do anything except look at inflation. If the board takes its responsibility seriously, which I presume it will, what kind of judgment will it make on these other matters? For example, will everything that is referred to the board be looked at in only one narrow way? Is this country going to be guided just by that?

When you say you want some measure of control over a federal budget, you cannot give the power to a board to decide what kind of social and national priorities are going to be set. This is what a budget is all about. Are we going to turn over to a board with a narrow term of reference a power that is the right of parliament? I ask hon. members in all seriousness if that is what they want.

Let us take a hypothetical problem which may not be hypothetical. The government, for argument's sake, has seen the light; it has listened to the NDP and has lowered the pensionable age from 65 to 60. In other words, the blandishments of the hon. member for Winnipeg North Centre (Mr. Knowles) have got through to the government; the government has seen the intelligence of the proposal and agree with it. The consequence is that more taxes would have to be raised and the budget would have to be increased. What would the board say to that? If this amendment is passed, the board will say that goes beyond the guidelines, there will be no change in the social programs of this country, regardless of the merits, and there will be no income redistribution. We have enough reservations about the legislation as it now stands, without taking additional power away from parliament and giving it to the board. This is essentially a political question. Income distribution is not a technical problem, it is political: who pays the taxes and who gets the benefits? Surely we are not going to turn over that power to a board. Furthermore, I do not think a board would want that kind of power.

The hon. member reminds me that we have had some difficulty with auditors general in the past because they have tended to assume political rather than auditory functions. There was some criticism about that. We would go beyond anything ever contemplated when parliament was set up to take what is the prime responsibility of parliament, the setting of social priorities and dealing with the multitudinous problems in our society, and turn it over to a board. My leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), said he is aghast that the great Conservative party would even countenance such an idea. They pride themselves on their respect for and duty to parliament, yet this motion would emasculate this great institution of which we are so proud. I am not surprised that the hon. member for Oshawa-Whitby feels so strongly about this measure.

Because of the vast cost and the great contribution that unemployment is making to inflation, the government may decide, or be persuaded to bring in measures to do something about it. After all, the costs of unemployment are severe; they are a major contributor to inflation and loss of productivity in this country. For every 1 per cent of unemployment above the 2 per cent or 3 per cent that is acceptable, it costs this country $2 billion or $3 billion in GNP, by various estimates. We are talking of a loss of $20 billion over-all. Suppose the government becomes wise, or something persuades them into a form of wisdom and they want to do something about unemployment. The only way to handle that is to increase expenditures and stimulate the economy. Are we going to leave it to a board to say that that kind of parliamentary decision is not acceptable because it exceeds the 8 per cent guideline? The board may decide it is for them to make those kinds of policies, not parliament.

I could go on and multiply the examples. I have given but a few to illustrate the inherent difficulty and the impossibility of the kind of concept being put forward in this amendment. I can appreciate one thing about the amendment: I am sure it is put forward in good faith. On the surface, the argument is very beguiling. If everyone else is to be restrained, why not the government? However, everyone else is not charged with the same responsibility as the government. Those of us who are being restrained are making essentially private decisions. The government is making what amounts to a public decision.

It is important to note that the government is answerable and the board is not. The board is set up; it does not fall; it does not get defeated. You cannot even filibuster or talk against the board. But the government is here and it can fall. At the moment it looks unlikely, but it could fall. Governments have fallen and found themselves obliged to secure a mandate from the people. It is the right of the public to judge the conduct of the government, not of Jean-Luc Pepin or Mrs. Plumptre. That is the greatest danger in the incomes policy. We agree that an incomes policy is important, and we do not oppose it in principle. We oppose the kind of legislation before us and we oppose the type of amendments which are being tacked on to it because we are not dealing here with the type of legislation which is capable of being improved by such amendments. We oppose it because what we are looking at is a technical arrangement. The government looks upon this legislation as relating to a technical issue. It uses devices such as a 10 per cent cut-off. It does not care what happens to the other things, or if it does care, it says; "We really haven't got the mechanism for handling them."

● (1550)

In fact, income distribution is a political question. That is what politics is all about. That is what we are fighting for in this party. We are fighting for people at the lower end of the scale. How can members opposite say we have solved our political or our technical questions when one-fifth of our people are getting 5 per cent or 6 per cent of the income and another fifth is getting 42 per cent of the income? That is what politics is all about—resolving these differences in income distribution by the arguments we present to the people and then by the degree of support they accord to various political parties. It would be a grave mistake and a terrible disservice to the country and to this institution to turn decision-making over to a body with narrow terms of reference and without any mandate from the Canadian public.

Mr. Gordon Towers (Red Deer): In speaking to this motion, I think a word from this side of the House, in clarification, would be in order. I have never seen such a twisty, writhing individual as I do at this moment in the hon. member for Waterloo-Cambridge (Mr. Saltsman). I think he would be well advised to stay with his crossword puzzles because he cannot even seem to listen to an intelligent speech and comprehend what was said.

The hon. member for York-Simcoe (Mr. Stevens) expressed in simple terms exactly what we on this side wanted in this amendment, which was that an outside body should not have wadding placed in its mouth and be limited in what it has to say. It is of fundamental importance to the Canadian people that an outside voice should portray to them exactly what is happening in the field of government spending. The hon. member for Waterloo-Cambridge expresses the opinion that maybe politics does enter into it. Certainly, when the Canadian people hear a message from the House of Commons they do on occasion have misgivings about what is being said in case this political aspect is entering into what is being said. Therefore, if the government believes this review board is to serve a useful purpose in the Canadian scheme of things, it should surely be subject to the board's observations and criticisms in the same way as the rest of the economy.

Maybe members of the NDP are prepared to elevate government above all the other sectors, business and so on, but I certainly am not of that opinion and I am sure my colleagues do not agree with it, because of the fundamental importance of the proposition that government should serve the people. Never should we allow government to be a dictator to the ordinary people. When the day comes that a government cannot accept criticism from a body set up by itself, we are getting ourselves into a deplorable situation.

I hope the Canadian people recognize the danger of the message given by the hon. member for Waterloo-Cambridge. We on this side feel the review board, with all the integrity it has, and with all the responsibility it has been given, should at least feel free to criticize the government if, in its opinion, the government is wrongfully spending the taxpayers' money. Certainly, if this program is to work it will need the co-operation of all sectors of the economy—business, labour and government included. If anyone wants to exclude the government from the criticism the review board will be handing out to labour and to other people, there is no way in which the program can work; the government is signing the death warrant of the whole scheme before it even gets off the ground.

Mr. John Rodriguez (Nickel Belt): Looking at the amendment before us, Madam Speaker, I can feel some sympathy with the underlying principle of putting forward that kind of amendment by the Conservatives on my right. Certainly it is a concern, and it ought to be the concern not only of the government but of opposition members and, indeed, of the Canadian people with respect to the manner in which the government is spending the taxpayers' money. Surely that is the function of parliament. We have set up a structure. There is an Auditor General who is supposed to look at the way in which the government operates its various departments and how it spends the taxpayers' money in those departments, and then to make recommendations to the appropriate committee of parliament with respect to what he has discovered in his review of a budget or the estimates.

We on this side of the House have taken the position that that kind of board is not necessary and that the kind of program the government is bringing in is misplaced at this time. It seems to me that here they go again, starting to build a bureaucratic mulberry bush. It seems to me now you have them looking at prices, you have them looking at food, you have them monitoring prices, so-called, and now you are handing them the budget and the estimates to look at. Soon they will be saying they do not need 200 people, but 500 people, to work for the board. When they started out they were going to monitor 1,500 corporations; now it is up to 2,700. They now talk about monitoring 10,000 contracting firms or 5,000 contracting firms. I see this thing growing like a great big monster, like any other department.

Anyway, it seems to me that is an expenditure the taxpayers can do without. Certainly the government has a responsibility to spend the taxpayers' dollars wisely, and the points have been well documented in this House that they certainly can be castigated for some of the exotic

expenditures they have embarked upon, expenditures which make very little sense with respect to improving the lot of the Canadian people. Indeed, it only goes to improve their own lot. We have seen, for example, such expenditures as the opening of Mirabel airport. It cost the taxpayers of this country and the Quebec government—the same taxpayers—$500,000, and $20,000 of that was for booze. Visitors did not pay anything at all for it. We have seen other kinds of expenditures by this government which the taxpayers of this country would be very upset about. This is the same government that asks the Canadian people to tighten their belts and to live within their means.

● (1600)

Whether we like it or not, the fact remains that the government has the responsibility for setting a budget and the estimates. I do not know whether this monitoring board is going to examine the budget and the estimates and make public its comments on them, but it is not going to change anything at all. Since I have been a member of the House I have been a member of committees dealing with estimates, and the committee system is so structured that no one can block the passage of the estimates. As a matter of fact, if the estimates do not pass committee by a certain date, they are deemed to have been reported and spent anyway.

There has been no effective control by parliament, through the parliamentary committee system, over the expenditures of government. It seems to me that parliament has had very little effect in terms of braking government expenditure. Therefore, I hold out very little hope that this monitoring board or Anti-Inflation Board, having pontificated upon the government's estimates and budget, will be able to apply the brake. The government is going to go ahead and spend drunkenly what is not theirs, without regard for the people who earn them the money.

An hon. Member: That is always the socialist approach.

Mr. Rodriguez: That is not always the socialist approach, may I say to my hon. friend on my right. We respect the way that a dollar is earned. This has always been the very core of socialist thinking. The gentleman on my right has always been one of those who are loth to have the government interfere in the marketplace. They say that government should keep out of the marketplace. They are prepared to support the Liberals in pushing through this wage and price control bureaucracy that we are creating with an Anti-Inflation Board that has powers exceeding those of the Almighty. These are the guardians of the so-called free enterprise system which, incidentally, has failed miserably, so much so that the government is now rushing in to prop it up with wage and price controls. That is a miserable admission, Madam Speaker, to hear from these great defenders of the mythical free enterprise system and its attendant capitalist approach to the economy.

Be that as it may, we in this party cannot support this motion. As a matter of fact, there is no way we can support the bill or any part of it as it presently stands. We intend to oppose this motion as vigorously as we can.

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

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75, the recorded division stands deferred. In accordance with the decision reached today, motions Nos. 3, 4 and 5 will be grouped together.

Hon. Robert L. Stanfield (Leader of the Opposition) moved:

Motion No. 3.

That Bill C-73, an act to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be amended in subclause 26(2) by

(*a*) striking out line 38 at page 23 and substituting the following therefor:

"behaviour for a term not to extend beyond April 30, 1977"

(*b*) striking out line 42 at page 23 and substituting the following therefor:

"term not to extend beyond April 30, 1977.".

Motion No. 4.

That Bill C-73, an act to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be amended in clause 46 by striking out subclauses (2), (3), (4) and (5) at page 33 and substituting the following therefor:

"(2) This act expires on April 30, 1977, or on such earlier date as may be fixed by proclamation."

Hon. Donald S. Macdonald (Minister of Finance) moved:

Motion No. 5.

That Bill C-73, an act to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be amended in clause 46 by

(*a*) striking out lines 9 to 11 at page 33 and substituting the following therefor:

"proclamation or a motion for the consideration of the House of Commons that is approved by the House pursuant to subsections (6) and (7) unless, before December 31, 1978 or any earlier date fixed by proclamation or any such motion for the consideration of the House that is so approved by the House, an order in council is made to the effect"

(*b*) adding the following subclauses immediately after line 40 at page 33:

Procedure where motion filed with Speaker

"(6) Where, at any time after March 31, 1977 and before July 1, 1977, a motion for the consideration of the House of Commons, signed by not less than 50 members of the House, is filed with the Speaker to the effect that this act shall expire on a date before December 31, 1978 that is specified in the motion, the House of Commons shall, within the first fifteen days next after the motion is filed that the House is sitting, in accordance with the rules of the House, take up and consider the motion, and if the motion, with or without amendments, is approved by the House, this act expires on the date that is specified in the motion.

Time for deciding questions

(7) All questions in connection with any motion taken up and considered by the House of Commons pursuant to subsection (6) shall be debated without interruption and decided not later than the end of the third sitting day next after the day the motion is first so taken up and considered."

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, when the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Macdonald) briefed opposition party leaders about the anti-inflation program on the evening of October 13, I expressed my concern about the duration of the program that the Prime Minister and the Minister of Finance said they were bringing in. That was not, of course, the place to present a detailed argument or even specific proposals, but I did express my concern as an initial reaction when I was first told about the program. Later in the evening when I was invited to make a public comment, it was the duration of the program to which I principally devoted my attention and expressed my concerns. The following day, October 14, when the government presented its white paper for discussion in the House, I dealt with these concerns at some length, as recorded at page 8199 of *Hansard*. At that time no bill had been presented. We were discussing the white paper before presentation of the bill and therefore we did not know precisely what the bill would contain.

During discussion of the white paper on October 14, I said we supported the general intentions of the white paper. I also said that further support for the actions of the government would be a matter of judgment based on the government's response to our concerns and observations. In the meantime, having expressed our concerns about the program we said we would wait to see the bill. Bill C-73 was presented for first reading on October 16. On Friday, October 17, debate on second reading commenced and my party's House leader, the hon. member for Peace River (Mr. Baldwin), led off our participation in the second reading debate.

Again he dealt with the duration of the government's program as well as the duration of the bill. The hon. member for Peace River put the argument in very strong terms. He did so because, having then seen the bill, we realized that we were not just dealing with a longer term program than we felt proper, but that we were in fact dealing with an open-ended program. It was clear from the bill that the government was not limiting itself to 3¼ years, but was setting up a mechanism that would enable it to extend the bill almost indefinitely, or certainly for a substantial period of time, simply by presenting to the House and having carried after very limited debate a resolution extending the term of the bill. So in that sense, as I say, we discovered that the term of the bill was virtually open-ended.

In this regard, the hon. member for Peace River, as recorded at page 8314 of *Hansard*, said:

—this aspect is totally unacceptable—

● (1610)

The hon. member for Peace River served notice that we would present an amendment at the appropriate stage of the committee hearings and later to deal with this concern. I ask members of the House to bear in mind just how easy it would be for a government to extend the length of this program by a simple resolution. My remarks of the same nature, expressing concern about the duration of the bill, were subsequently carried on network radio and television. I stressed that while we in the official opposition continued to support the necessity for a program to deal with inflation and to break the inflationary situation which exists, we simply could not support on third and final reading a bill incorporating the time-frame the government proposes.

I ask members of the House to bear in mind that the government's wage and price control program and Bill C-73 are not the same thing. Bill C-73 does not define or describe even the government's wage and price control program. It does not set out a wage and price control program. Bill C-73 simply delegates sweeping powers to the government, the administrator and the Anti-Inflation Board. The government itself, through the Prime Minister, the Minister of Finance and other ministers have outlined in the House and to the people of Canada in a somewhat uncertain way, perhaps, a price and wage control program. But with the powers in this bill, if it becomes an act of parliament, the governor in council can change that whole wage and price control program any time they choose to do so.

They are seeking these powers for a period of 3¼ years, plus. Spokesmen for the government say they hope to terminate the program before 3¼ years run out. They may or may nor terminate this particular program which they put before the people. They may terminate the program, but even if they terminate it they will keep the enormous powers they are asking to have delegated to them through this bill. We are not being asked to consider in the House, and we certainly are not being asked to vote upon, a specific price and wage control program. We are being asked to vote upon a bill which would give the government enormous delegated powers for a period of 3¼ or more, years. If one needs an example, the history of the Defence Production Act shows how loth governments are to give up powers that have been granted to them.

It is important to distinguish between a wage and price control program such as has been outlined by the government, such as it is, on one hand, and the bill before us because they are not the same. We are not being asked to vote into effect a wage and price control program for a period of six months, a year, a year and a half, three years, 3¼ years, or longer; we are being asked to give the government the authority to write its own wage and price control program, an anti-inflationary program, or to exercise these powers in any way it may see fit. If the bill should pass, there is nothing to prevent this government changing the program beyond recognition without any further reference back to this parliament. That in itself is sufficient reason for limiting the life of this bill to a period not in excess of 18 months.

The last time prior I spoke in the House on the duration or life of this bill was during the debate on the NDP supply motion of November 14. I shall read some of the comments I made at that time to remind the minister and members opposite that I am not raising these objections this after-

noon for the first time. I expressed my concern the first time the Prime Minister and the Minister of Finance described this program to me and the leaders of the other opposition parties. I have expressed these concerns many times since. On the afternoon of November 14, if I may be forgiven for quoting myself—even if I am not forgiven I shall do so—I said:

I say this parliament ought not to be asked to grant to the government the extraordinary powers it is seeking for virtually an undefined or very ill-defined period of time, subject only to a relatively ineffectual period of review involving a debate in the House for three days—

In my view, the bill should be amended so it will terminate in 18 months. Just before the expiry of the 18 months, if the government felt it could make a case for the extension of the program, it could bring in a bill for that purpose.

Later I said:

How could we willingly grant such powers for so long to any government, let alone a government which has such a record for opportunism as this one?

When the Minister of Finance spoke later in the debate on the afternoon of Friday, November 14, he did not even acknowledge he had heard what I had said in this regard. He did not even acknowledge it, let alone respond to it in any way. We stated our position clearly and unequivocally in the House committee. I stated it again in a letter to the Prime Minister last week, and we are stating it again in the House today.

The belated response which the government finally brings in is embodied in the review amendment put forward by the Minister of Finance which is reflected in motion No. 5. My first encounter with the proposal for a review of this kind, as a government initiative, was when I read it in the Prime Minister's reply to my letter of November 20. I wrote back to the Prime Minister to say that the government's proposal did not meet our concerns. At the finance committee meeting of November 3, the Minister of Finance suggested that my party might wish to put forward an amendment along the lines of the one which now stands in his name. At that point we realized the government was up to its old game of speaking out of both sides of its mouth at the same time. Only minutes before the minister made his remarks in committee about the possibility of a review amendment, he attempted to defend in logic the need for the program to run over three years. This is what he said:

● (1620)

The program is posited on the guideline proposals of looking at three successive years, by which one would hope that the basic protection factor could in effect go from 8 per cent to 6 per cent to 4 per cent, so we are talking in a three-year time framework and therefore it seemed to have some logic.

In the next breath, having said that, he outlined how we in the official opposition "might consider formulating an amendment" if what was desired was "a parliamentary occasion to discuss the issue." We have been seeking something beyond a future occasion to discuss the issue, and the minister knows that. I submit that all he engaged in on November 3, and all that the government has engaged in since, on this matter can be summed up under the general headings of flank-covering and bone-throwing.

The minister says that the government, in its own logic, is convinced of the necessity of a program running at least 3¼ years. Again I remind the House that we are not being asked to vote on a program. When the bill is passed and becomes law, the government can change the program beyond any recognition without any reference back to parliament. The minister, having said that he was convinced that they needed the program for 3¼ years, then said, in effect, that if we wanted to discuss it after the passage of 18 months the government could entertain provision for that.

It is a sham for the minister to suggest that this represents any kind of meaningful review, with no outside witnesses, no representations, no means of forcing information from the government, none of the other procedural arrangements involved in the procedure of a bill passing through the House, and no possibility of amending the act. The only question before the House on that review procedure is a yes or no. The only question for the House, and for a very limited time, is whether the government's program should end as defined, if it were defined in the present bill, or should terminate earlier. Such a debate, when the government sits in majority, would represent nothing more than a progress report.

Some hon. Members: Hear, hear!

Mr. Stanfield: That is the bone he throws on a "take it or leave it" basis. Bear in mind that once the government has passed the review period which is under this proposal—the question of review could be raised only at some time, I think, between March 31, 1977, and July 1, 1977—there is no further provision for any parliamentary review. The government could do anything it liked with the program, without any possibility of a discussion of what it is doing unless the government graciously provided it, or unless we have the sort of discussion we are able to have on opposition days in parliament.

When it became clear to the minister that the official opposition was not of a mind to grab the bone in committee, he retrieved it himself as something to throw our way again at report stage. He said he would present "an amendment with regard to an interim debate on the measure". That is what he has done now.

Mr. Baker (Grenville-Carleton): There is no meat on this bone now.

Mr. Stanfield: No meat, no bone, so far as I am concerned. I refer the House to two other statements made by the minister during consideration by the finance committee. These serve to illustrate the tangled web which the government has woven regarding the duration of the Anti-Inflation Act. On October 13, the minister was asked to comment on the Prime Minister's speculation that the period might be shorter. He donned his optimistic cap and said:

Really, if after a period of 18 months, and I would be happy to see such a result, there was a significant reduction in the rate of inflation in Canada, it is quite possible that we could end these inflationary controls, in view of such an improvement in the economic situation.

They might end the program they have launched in recent days, but that is a very different thing from surrendering powers which, I venture to suggest, they would reserve unto themselves and exercise from time to time in any manner that suited their purposes. On November 20,

the minister took quite a different tone as he attempted to make an argument regarding the rough justice inherent in the bill. On this occasion he said:

—we have set out the guidelines and they could be much tougher, you know. If you were seeking to carry the reduction through guidelines of the inflation rate in 18 months instead of taking a longer period of time they would have to be very much tougher than this.

I remind the House that they are not set out in the bill, of course; they are in the program which the government can change any time it sees fit. One has to wonder in how many ways the minister and the Prime Minister want to have this thing. The Prime Minister toured the country running both hot and cold. One day there were threats of heavier intervention, and the next speculation that we might be finished with a very easy exercise at the end of 18 months. Sometimes he says, as he did at the outset, that the primary purpose of the exercise is to break inflationary expectations and change attitudes. He implies that when this is done, the control will be lifted, and if it does not happen the controls will get larger in scope and longer in duration, with stiffer and stiffer penalties. At other times the Prime Minister and the Minister of Finance talk of reducing the rate of inflation over a defined period of time.

I submit that a short-term exercise aimed at breaking inflationary expectations is quite different from a longer term incomes policy which attempts to contain the rate of inflation through an institutionalized process of government intervention.

Some hon. Members: Hear, hear!

Mr. Stanfield: I do not like to see these two concepts mixed as they are in this program and as they have become in the government explanation of the purpose of this bill. In regard to the originally stated purpose of breaking the inflationary psychology, there can be no question that my party and I endorse a short-term program with this aim. We have said so in the context of an election campaign. I will not ask the House to remember what my friends opposite were saying at that time.

Some hon. Members: Oh, oh!

An hon. Member: They don't want to remember, either.

Mr. Stanfield: I have enough respect for my friends opposite to think they would like to forget what they said then. We are now discussing the bill in the context of 1975, almost into 1976. We said, in the context of an election campaign, what we would do. We would favour a short-term program with the aim of breaking the inflationary expectation. We continue to say so today. We suggest a bill with that stated aim for a period of 18 months. We would support such a bill and be prepared to accept the many imperfections in it, and we would accept our share of responsibility for the rough justice involved in it.

● (1630)

We believe the government should be focusing its attention on this objective. We believe that a bill and a program of this nature limited to 18 months would be less divisive in the country and less susceptible to dogmatic, negative reaction and rejection. We believe these considerations are important. We even believe that the government is smart enough to know this, and smart enough to know that if we do not break the psychological aspect of inflation in 18 months we are not likely to make much headway under price and wage controls after that in a further 21-month period, when all the imperfections and problems inherent in controls programs are really coming home to roost and really reinforcing resentments.

In accepting that the government is smart enough to know these things, we get very nervous about the other purpose which the government has been flirting with in its pronouncements—long-term controls to institutionalize a process of ongoing intervention in the Canadian economy. If this form of controls is intended to stay on until it is successful in relation to a stated aim for the rate of inflation, I am afraid we will be into some form of controls as a permanent feature of our country. I know there are members of this House who would like to see this happen, but I also believe there are many hon. members, even on the government side of the House who, like me, do not want to see this happen. I hope they will give this matter serious thought before the vote comes on our amendment.

We are saying that the government approaches the House with two clearly different purposes expressed in relation to this bill. One we buy—the purpose of deflating inflationary expectations through a program of price and income controls for a short term—and we say that our amendment would clarify that this is indeed the sole purpose, and this would be the sole effect of the act. The other aim which the government has in mind we do not buy, that of longer term controls. We cannot support that aim. We do not like wolves in sheep's clothing.

Some hon. Members: Hear, hear!

Mr. Stanfield: We want to make this point of differentiation and emphasize how important it is to the future of our country. We are prepared to vote against the bill on third reading if our amendment is not accepted to demonstrate how important we believe it to be. The Minister of Finance is reported to have stated that terminating the controls program in 18 months would mean unacceptable rates of unemployment because termination of the program in 18 months would involve harsh use of monetary and fiscal policy and harsh use of monetary and fiscal restraints to control inflation.

I agree with the hon. member for Waterloo-Cambridge (Mr. Saltsman) who expressed concern and stressed the importance of the problem of unemployment in our country, but I say, with respect to the Minister of Finance that his statement that the termination of this control program in 18 months would mean unacceptable rates of unemployment is nonsense. First, as of now he does not know what the inflationary pressures in Canada are going to be in 18 months' time. He does not know what the inflationary situation is going to be in 18 months' time. Second, I do not say for a moment that the war against inflation will be over in 18 months. I do say that we have no reason to believe that general price and wage controls would be effective or desirable in our economy beyond an 18-month period.

Third, I say that if the government is going to continue a controls program beyond the point of 18 months, but change substantially the scope and nature of controls from

the program put before us in recent weeks, this government should have to come to parliament to get parliament's permission to do so.

Some hon. Members: Hear, hear!

Mr. Stanfield: What right has the government to ask this parliament for a blank cheque?

An hon. Member: It's only three years instead of 18 months.

Mr. Stanfield: Yes, and any program you want to write in the meantime. You can fool the people some of the time, but the government is going to find out that it cannot keep shifting positions all the time. I also want to emphasize that there is nothing in what I am proposing—that is, the termination of this program in 18 months—which would put the government in a strait-jacket. If the government wants to continue controls beyond 18 months, it could introduce a bill in this House for that purpose—for example, after the expiration of 15 months—in which a specific controls program could be discussed in light of conditions which exist at that time, and not conditions which we guess about now which might exist.

Some hon. Members: Hear, hear!

Mr. Stanfield: Much can change in 15 or 18 months. If the government is concerned a fixed expiry date of April 30, 1977, and if it is concerned that unions might just hold back until the controls are off, or that business people might hold back until they are off, I would have no objection to a provision extending the bill for a further period of three months, for example, upon the government presenting to the House a resolution to that effect with a limited time for debate of three days in order to provide some degree of flexibility about the termination of the program. However, the government has not seen fit to discuss any such proposal, or any proposals at all. It has known for weeks of our concern about this. If the government thinks our support of its bill is important in terms of public acceptance, why has it not responded at all to any initiatives we have taken to try to produce a bill we could accept and support in this House?

We have tried to be constructive in dealing with both the white paper and the bill. We have not hidden anything. We tried to show our good faith by our vote on second reading of the bill and our vote on the November 14 supply day motion put forward by the New Democratic Party. We indicated that we were open to be consulted by the government on this matter. No consultation was sought. My invitation for consultation was not acted upon. If our support of the bill is important, why has the government not responded to our concern and to our overtures? I want to say very clearly that if, despite our objections and despite our concern, this bill becomes law in its present form, without our amendment having been adopted, we will certainly urge the Canadian people as forcefully as we can to co-operate with the government and to comply with the law adopted in this House.

Even before the program was announced, the Minister of Finance described the program as frightening. I therefore do not apologize for expressing my very grave concern about the powers parliament is being asked to delegate to the government and to the creatures of government for such an open-ended period of time. Without acceptance of our amendment, I must say that the minister's first impression was correct, as far as I am concerned. The implications of a bill with these powers and of this duration are frightening and they are unnecessary, Madam Speaker. These implications are unacceptable to me and to my colleagues.

● (1640)

Hon. Donald S. Macdonald (Minister of Finance): Madam Speaker, the Leader of the Opposition (Mr. Stanfield) has what one would have to concede is a difficult task in this situation. We are debating a program which earlier in this debate, on second reading of the bill, he said was virtually his program. We are debating a concept which he said basically was his idea, namely, the imposition of mandatory controls on wages and prices in Canada. We are dealing with the bill which he voted for at second reading stage and in respect of which he also voted on an opposition day.

Now he finds himself in the situation where he undoubtedly has decided that in the future he will want to oppose the government's initiative in imposing wage and price controls at this particular time. He will now want to define a position for himself to be able to repeat to the public that he was against this program, a program which it is conceded will be difficult in the years and months to come in terms of the impact it will have on individual groups in Canada. Therefore, he has had to construct, for the record and for the House, a rather indignant declamation of the government and myself for having failed to respond to the initiatives which he had put forward in this regard.

Let me just deal with that one point right away, because I am sure that the Leader of the Opposition has perhaps been badly served by his research staff. He made the assertion that it was not until late in the game, well on into the committee sittings, that I gave any response whatsoever as to my willingness to respond to amendments with regard to having a parliamentary review of the bill. Perhaps I could quote to him—I will take the same stand about quoting myself that he took about himself—and refer him to my remarks on reply in the second reading debate, as reported at page 8545 of *Hansard*. On October 24, in closing debate, I said:

> The question was raised at several points by the hon. member for Peace River (Mr. Baldwin) and by the hon. member for Windsor West (Mr. Gray) as to whether it would be proper at some interval before the termination date of the bill to provide for a fresh parliamentary opportunity, perhaps by way of an affirmative resolution, to debate the matter. For my part I would have no difficulty in accepting an amendment of that kind.

I would just remind the House that we were then at the sixth day of the second reading debate. After my speech in introduction on second reading, I had had no further opportunity to participate in debate, but in reply at the first opportunity after hearing the hon. gentleman opposite, and in particular the hon. member for Peace River (Mr. Baldwin) who had seen the bill and responded to it, I indicated my willingness to provide the kind of amendment which I referred to in committee. I repeated the offer again in committee, and when nothing further was forthcoming I put it forward at report stage, at this time. I hope the

Leader of the Opposition will go back and read the record again. He will realize that perhaps he has been less than just in the assertion he made that there had been no early attempt on my part to respond to what the official opposition had said in this regard.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): What had they said in this regard in the debates that had taken place? The Leader of the Opposition has referred to his own participation on October 14 in the special debate. I would quote from page 8199 of *Hansard* when he said that the government should—

—be prepared to make provision for a parliamentary review of the controls and how they are working, providing an opportunity of parliamentary recall, say at the end of 18 months or two years.

The Leader of the Opposition said that he had not seen the bill at that time. He had not been able to formulate a judgment from the white paper, which he had seen at that time, as to what was the appropriate course of action, and it was for that reason that he used those terms on that particular day. Several days later, the hon. member for Peace River had seen the bill, he had been able to study its provisions and to look at the white paper. At that time he spoke in words which were virtually a paraphrase of what his leader had said a few days before. I would refer him to page 8314 of *Hansard* on October 17, where he said:

We will propose an amendment, which will provide that at an earlier date during the life of this legislation, this House will have, as it must, the right to decide whether under the circumstances which then exist the extension of the legislation is warranted.

In the debate which occurred at that time, Madam Speaker, in full knowledge of the bill, full knowledge of the provisions that we have here, and in full knowledge of the white paper, the number two member of the official opposition, undoubtedly speaking on behalf of his party, said they would be coming forward with an amendment; an amendment, may I say, substantially in the terms of the one that I have put forward. He said that they would be proposing an amendment for the purpose of having this kind of consideration. May I remind the House that in response to that particular speech and the passage which I have just read, I said, and I quote myself again at page 8545 of *Hansard*:

For my part I would have no difficulty in accepting an amendment of that kind.

There are going to be some difficulties about this program. There are going to be some difficulties about the impact it will have on the economy and individual groups of Canadians. Let us talk about it in terms of the real problems, however, and not try to create little parliamentary games of quoting here and there and neglecting to quote oneself earlier on or explaining what he really meant at the time he said it, and so on.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): If the Leader of the Opposition wants to change his stance with regard to mandatory controls in Canada, he is entitled to do so. He can dream up phrases—this is undoubtedly the new catch phrase that is going to be used—like "institutionalized process of government intervention". He can dream up that kind of phrase if he likes, but let us face the fact that whether it will be of value to him politically or not, he is now proposing to change the stance that he took before, and I think the house should recognize that.

[Mr. Macdonald (Rosedale).]

The Leader of the Opposition made some reference to the fact of the 18-month period being a matter of principle for them, something that they were absolutely dead set on. I have just read a passage where the Leader of the Opposition spoke about the program ending after 18 months or two years, so there does not seem to have been any magic or principle involved there. Nor earlier did there seem to be any magic or principle involved when the Leader of the Opposition was stumping the country referring to the kind of program that, if elected as prime minister, he would put forward, and the timing of that kind of program.

Mr. Muir: You said it would not work for 90 days.

Mr. Macdonald (Rosedale): Thank you for mentioning the 90 days. The Leader of the Opposition proposed to launch an initial freeze for 90 days, followed by the imposition of the mandatory and comprehensive controls for a period of up to 24 months. At that time, Madam Speaker, it seemed to be sound to be talking about 27 months. Where is the great principle involved? Do I detect a kind of quibble, or is this another parliamentary game that is involved here as well? What is now a matter of principle, termination after 18 months, is really at odds with the positions that the Leader of the Opposition had previously taken, which seemed to regard a period of 27 months as the optimum for the operation of the program. To do him justice, shorter if it could be achieved, just as we have said, but to try to set out a substantially longer period under which time the program could be carried into effect.

Mr. Whiteway: Was he right that it would work?

● (1650)

Mr. Macdonald (Rosedale): I think it would be of greater service to Canadians who are interested in this matter if I were to talk about the merits of the program put forward, the kinds of problems we shall face in dealing with it and the kinds of responsibilities which will devolve on the Leader of the Opposition, his followers, and others, in the time the program is outstanding. The hon. member for Waterloo-Cambridge (Mr. Saltsman) accurately described parliament's responsibilities for scrutinizing and, indeed, dealing with the program. As I indicated and as is indicated by the record, there will be full opportunity for parliament to debate and make a decision on whether the program, in the words of the hon. member for Peace River, should be extended for a further period of time. We have provided for that kind of extension which, I remind the House, was suggested first by the hon. member for Peace River.

The bill itself requires the Anti-Inflation Board and administrator to report to the minister and for those reports to be tabled in the House. As time goes on and the administration does its work, the detailed operation of the program will come before parliament in the way of information. As I responded to the hon. member for Peace River, who asked a question today, in the statutory instruments committee there will be substantial opportunity to review the regulations as made under this program and

bill, and to review the statutory instruments by which this law will be carried into effect.

An hon. Member: What about the guidelines?

Mr. Macdonald (Rosedale): If the hon. member will read the bill, he will find that the regulations put the guidelines into effect. Under the provisions of the rules of this House governing consideration of the spending estimates of government bodies, the House will have full opportunity to scrutinize the work of this federal body being established, and of every other government body, and to examine members of the Anti-Inflation Board. There will be full opportunity, as the Leader of the Opposition admitted, under the provisions of the rules governing supply procedures in this House, to debate on opposition days questions which may arise and be of interest as disclosed by reports made available to the House.

Therefore, an alert, able and responsible opposition will have no shortage of information. There will be full opportunity to bring into this House for debate the operations of this particular program, and to subject to scrutiny both myself and the appointed officers who will be charged with carrying it out. The cries concerning difficulties and suggestions that for the first time we are establishing some new kind of tyranny in Canada must be considered in light of the very substantial parliamentary opportunities which will be available even before the end of the 18-month period for the purpose of screening the operation of this program.

Let me turn to the merits of the question. What is the appropriate period for which one should design a program like this? The program we set out in the white paper, together with the proposals we brought forward, is designed to end the deep seated inflationary psychology which had seized all aspects of the Canadian community. Yet we recognize at the same time that Canadians inevitably will need to bear certain costs, no matter how successful the program may be in restricting other costs and other claims in other parts of our community. I mentioned these costs previously.

We shall have to pay higher prices for energy and sustain higher prices for the many thousands of commodities we import every day and which contribute to our standard of living. Indeed, there are at present substantial increases which have been built into the Canadian compensation system which will be passed on and make themselves felt in the form of higher prices for the goods and services we consume. We pointedly set out to make the system flexible in this regard. We wanted to avoid the injustice which would be occasioned by putting the brakes on too sharply, so that those who have not had the opportunity to catch up would not be treated unjustly and so that Canadians who have borne real cost may be recompensed. We wanted to avoid the situation in which the American program found itself. In that program, these kinds of increases were dammed back for a period of time; after that they had the explosion of wage claims and price increases which occurred at the end of the program.

Mr. Stanfield: What about conversion?

Mr. Macdonald (Rosedale): We have set out to elaborate a means for slowing the impact of inflation on Canada by deliberate steps, setting as our basic protection factor 8 per cent, hopefully to be achieved at the end of the first year, 6 per cent at the end of the second year, and 4 per cent at the end of the third.

An hon. Member: Dreamer.

Mr. Macdonald (Rosedale): There will be a slow decline in the rise of the consumer price index for which Canadians, I think, can legitimately look. An hon. member opposite called me a dreamer. Perhaps I am. If achieving this end will be difficult in 36 months, I suggest it would be even more difficult in 18 months, without the heaviest cost. It could not be done in that time without at the same time imposing very great injustices on those who have not had the opportunity to catch up, and without imposing restrictive fiscal and monetary policies which could have no effect but increase to a substantial degree the rate of unemployment in Canada.

I suggest to the hon. member that it is possible, with the application of very strict measures under this program, together with supporting economic policies, to bring about a drastic reduction in the rate of inflation in the country. Yet to do so would not only impose hardship and unfairness on those who have not had the opportunity to catch up, but would bring the risk of very much higher rates of unemployment in Canada. Then, instead of facing an unacceptably high rate of inflation we should face an absolutely intolerable rate of unemployment.

It is for that reason that the program, by design, has been set for a period of three years, with the expectation that although prices may go up, we shall not persist in our present rate of inflation and that we shall bring the rate of increase down slowly. As I said in committee, if after 18 months we find that inflation in Canada has been dramatically reduced, no one would be more delighted than I. But I say that for the sake of justice and to avoid increasing unemployment in this country, we must embark on an elaborately slowed program, one which will bring inflation down by stages over a period of time. We suggest that any other program would bring far more hardship to Canadians and far greater difficulties for the Canadian economy, which is what would happen under the program of the Leader of the Opposition who would try to beat inflation in an 18-month period.

Mr. Stanfield: I did not say that.

Mr. Macdonald (Rosedale): But that period, after all, is involved in his proposition.

Mr. Stanfield: But I did not say that.

Mr. Macdonald (Rosedale): The Leader of the Opposition can argue as he likes; but does he, or does he not, mean to beat inflation in 18 months?

An hon. Member: No.

Mr. Macdonald (Rosedale): He does not mean to beat inflation in 18 months. He would have the program continue for 18 months and then let it go—

Mr. Stanfield: I did not say that.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): The House heard what was said. I think it is entitled to have a little more responsibility from the Leader of the Opposition.

Some hon. Members: Oh, oh!

An hon. Member: You have twisted his meaning.

Mr. Macdonald (Rosedale): If he has some distinct proposal different from that which he put forward in the election campaign with regard to the inflation problem, I think the House is entitled to hear it. Until such time, I think the House is entitled to support the carefully articulated program I have laid before the House.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Elgin (Mr. Wise)—Trade—Request for reduction in cheese import quotas; the hon. member for Central Nova (Mr. MacKay—Mirabel—Request for tabling of data on which Sky Shops awarded franchise; the hon. member for Nickel Belt (Mr. Rodriguez)—Finance—Suggested withdrawal of tax concessions to Falconbridge Nickel on operations in Namibia.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed consideration of Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order, please. I said earlier that I would come to the House at five o'clock to hear further argument about the procedural regularity of motion No. 1. Do hon. members wish to make any submissions?

Mr. Kempling: Mr. Speaker, we have nothing further to say at this time about motion No. 1 as all the arguments were made in the debate on motion No. 2.

Mr. Speaker: If there is no further discussion on motion No. 1, let me say that the opinion of the Chair remains the same, namely, that motion No. 1 would propose to include in the legislation an entirely new concept, outside the scope of the bill, and is therefore procedurally unacceptable; particularly, I might say, in relation to the particular clause it seeks to amend. It is out of order, therefore, on two procedural grounds.

● (1700)

In so far as motion No. 2 is concerned, I previously indicated that it is in order. It has already been discussed. That, I would think, settles those procedural points. However, today a much broader point was raised by the hon. member for Edmonton West (Mr. Lambert). I indicated that I would allow some time to elapse in order to see whether there might be a resolution. I understand that this measure will not be called tomorrow. If there is agreement or an understanding in the House that, in any circumstances, all votes on the report stage amendments will be deferred until the next day that this measure is called, that will allow discussion to continue. It will perhaps allow time for further discussion to resolve the point raised by the hon. member for Edmonton West.

Mr. Lambert (Edmonton West): Mr. Speaker, there is only one difficulty that might arise out of that. That is the existence of Standing Order 75(6) which would have to be waived by unanimous consent. It states that if there is to be a recommendation referring to an amendment in a bill—in other words, an amendment to the recommendation—24 hours' clear notice must be given in writing.

Therefore, if you, Mr. Speaker, were to defer your ruling until Thursday, and if it were to be favourable to my proposition, the government would then be forced to put in the amending recommendation. There would be a 24-hour wait, which would carry into Friday. I rather suspect that proceedings would effectively be stopped. On the other hand, if Your Honour were able to give a ruling today, we could possibly get together and work out a satisfactory amendment to the recommendation. This would allow the proceedings to go forward on Thursday.

Mr. Speaker: I prefer not to give a definitive ruling because the ruling I come down with may be as a result of some discussion. I thought I made it clear that I fail to see much of a defect in the argument put forward by the hon. member for Edmonton West. I do not want to go into details that might necessarily tie the hands of the parties in attempting to come to a resolution. I thought I had made my sentiments clear. Let us hope that the matter may be resolved in some way.

Is it agreed and so ordered that at whatever point the discussion might terminate tonight, the votes on the motions will be deferred until the next day that this measure is called on government orders, which under no circumstances will be tomorrow?

Some hon. Members: Agreed.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I would like to say at the outset that I was a little surprised at the rather discourteous response of the Minister of Finance (Mr. Macdonald) to the central thrust of the argument of the Leader of the Opposition (Mr. Stanfield) in favour of his amendment. The minister suggested the

Conservative party had done an about-face on its attitude with regard to the question of controls. For some reason, he found that inappropriate. I do not like to use the metaphor, but it is a little like the pot calling the kettle black. What is fair for the goose is fair for the gander. The Liberals seem to have done an about-face on the question of controls. Therefore, it would have at least been courteous for the Minister of Finance to recognize the right of the official opposition to take a similar somersault in regard to its position.

In terms of the logic of the argument, I am inclined to agree with the Minister of Finance. I refer to the logic of his case against that of the Leader of the Opposition. I am not questioning the purpose or motives behind the motion presented, namely, motion No. 3. However, it seems that the whole case of the official opposition ought to be concerned with whether this program is acceptable. That is the fundamental question. Do we, or do we not, have a just approach to dealing with inflation, or an incomes policy? Instead, a rather spurious argument has been raised by the official opposition. They say that the longevity of the program is at question here.

I listened with care to the Leader of the Opposition. His entire speech was devoted to whether this program would be good for 18 months or should go beyond 18 months. He stated that a period of 18 months would make it acceptable, but beyond that time it would not be acceptable. Frankly, that type of logic escapes me and my party. Rather than seeing this bill as the official opposition does and as the Minister of Finance described it, namely, as constituting rough justice, the NDP sees it as one that constitutes no justice at all. From our point of view, that is fundamental to the question of whether we can accept the program for 18 months, 3 years or 30 years. The issue, surely, has to be faced. It has not been debated in parliament either by the official opposition or in the response of the Minister of Finance. The issue is whether the program we are being asked to accept for 18 months or beyond is fair and workable.

As we said on Thanksgiving Day after the meeting with the Prime Minister (Mr. Trudeau), and after having had a chance to look for some hours at the white paper, this program is, first of all, unfair and unworkable. Second, it fails to present a broad approach to the economic problems facing this country. From the point of view of the New Democratic Party, both these issues constitute reasons for voting against it.

I wish to deal, in passing, with the latter point, the lack of breadth or lack of scope of the economic policy. I refer the Minister of Finance and the House to an article by two York University economists that appeared in the business section of today's *Globe and Mail*. They pointed out—and we said this some weeks ago and last spring at the time of the budget—that there will be record levels of unemployment in this country. This article was not written by two socialists, but two orthodox, competent economists. They made forecasts in conjunction with an analysis of this program that the government has presented. They pointed out that it is a possibility that in 1976 there will be a rate of unemployment of 9.5 per cent. That is something that should cause chagrin to any Minister of Finance. It should cause concern to the official opposition.

We are debating the most comprehensive economic policy that any government has brought in since World War II. However, it is a policy that neglects in any detail to take a positive approach in dealing with unemployment and inflation. In terms of its implicit message and its restrictive approach to monetary and fiscal policy, it will positively contribute to unemployment. As I said on the day we first learned of the program, it is unfair and unworkable within its own terms, that is, in terms of dealing with inflation. It is unacceptable to the New Democratic Party because it wrongly restricts itself to dealing with inflation, totally ignoring the fact that within a year or so we are going to have the highest number of unemployed Canadians since the depression.

● (1710)

Our spokesmen in the committee played their full part. I was not there, but I read the reports. All the points we made on second reading, the effects of the bill on the poor and on the non-unionized workers, its unfairness in terms of permitting professionals to escape the controls, the loopholes which exist in the area of price control, the loopholes which exist in favour of multinational corporations, were raised by members of my party. I might add that the points raised by members of all parties in the committee met with totally unsatisfactory answers from the Minister of Finance. Every skeptical question we raised was answered in committee by Mr. Pepin or Madam Plumptre in a way which confirmed our worst apprehensions.

What we have in this proposal is a bill which will control salary and wage earnings but will not control prices at all. At the time it was announced, Mr. Pepin said it contained 111 loopholes. He did not use the word "loopholes"; he said there were 111 ways of getting round these proposals. What he did not say was that these loopholes were for the benefit of the banks, the food chains, industry and professional people. There are no loopholes for the average income earner. To our minds, this does not constitute rough justice; it constitutes no justice at all. Therefore, we cannot accept it even as an anti-inflation measure, lacking as it does an equitable approach.

I was dismayed to find that in the debate on second reading no minister made any real attempt to justify the program embodied in the bill before us. You will recall, Mr. Speaker, that in speeches made by the Prime Minister beginning about a year ago now, the right hon. gentleman was talking about the need for an approach which would deal with wage and salary increases. The then minister of finance and the then minister of industry, trade and commerce were taking a similar line. Wages, according to their argument, were the principal source of inflation in the economy.

We have not heard, either in committee or in the debate on second reading, any evidence to support that general claim. Indeed, any evidence which the general public has is on the other side of the argument. The Governor of the Bank of Canada, Mr. Bouey, said in a speech at Saskatoon that it was not the case that wage and salary increases had caused inflation. He pointed out that such increases had followed increases in the cost of living; they had not caused those increases. The moral is that one should deal with the more direct causes of inflation after which a fall-off in wage and salary demands could be expected; and

that is precisely what has been happening in terms of wage demands.

The second argument advanced by the government was that we were pricing ourselves out of our trading markets. This, if true, could be serious, particularly in view of the unemployment which looms ahead. Here again, though, the evidence was not presented in committee. The most recent evidence to come to hand was provided by Statistics Canada yesterday in the trade figures. If those figures supported the government's opinion that we were pricing ourselves out of trading markets, we in this party would be bound to look at the argument very seriously. But they do not. The information provided yesterday by the government's own agency shows that in the first ten months of this year Canadian export over all increased by 1 per cent but our exports of finished goods, goods with a high labour component, rose by 9 per cent. This is, surely, of fundamental relevance to the government's argument.

Members opposite were saying a year ago that export markets in 1975 and 1976 would be affected because of disproportionate Canadian wage increases. Well, the figures are in and for the first ten months of 1975, rather than experiencing a decline in our exports we have seen an increase, particularly in those in which there is a high labour content. However, the government does not seem to be concerned about this argument. It is not troubled by the facts. I would draw it to the attention of the House that with one exception wage rates in the countries with whom we trade are running well ahead of those in Canada. The exception is the United States, but as we all know, our trade with the United States consists basically of raw materials, where there is little labour content. Therefore, the labour component in relation to total cost is really negligible. In light of what I have just said, the two principal arguments used by the government to justify its present approach to inflation fall to the ground.

What about the price loopholes? I should like to have heard the official opposition express some concern about the lack of an effective mechanism to control prices.

Mr. Stanfield: I did.

Mr. Broadbent: The Leader of the Opposition says he did, and I will take his word for it. I did not hear him do so in the debate in the House. I assume, then, that other members have said something about it. I should have thought that the Conservative Party, had it favoured an approach which was fair to all, would have zeroed in on the loopholes which the government has specifically provided in the legislation for the benefit of corporations and others. For instance, just in case a corporation should have a problem in getting accountants to disguise its profits, just in case there should be some loss of ingenuity by the corporation in devising ways of getting around the price control mechanism, the government has provided substantial loopholes to work with. If a corporation can show that its productivity has increased, it is exempt. If it experiences favourable cost developments which had not been anticipated, it is exempt. If it cleverly transfers the profits of its operation back to a parent firm in the United States it will, in effect, be exempt.

● (1720)

I remind the House that two weeks ago the chief accountant in the Department of National Revenue estimated that at the present time we are losing revenue amounting to $2.75 billion annually because branch plants in Canada are transferring their real profits to the United States disguised as costs. That Mr. Speaker—$2.75 billion—ain't chicken feed. This was before the present program was brought in.

Now imagine the pressure put on branch plants in Canada. As I have said, some 60 per cent of Canadian industry is foreign-owned, which largely means United States-owned. If the government is supposedly going to have some control over profits in Canada, the incentive for these branch plants to disguise their profits will be there as never before. They will be using every loophole to avoid paying tax in Canada as a result of intercorporate transfer pricing. I suspect that the annual loss of $2.75 billion will rise in excess of $3 billion, if I may give a conservative estimate of the revenue we are going to lose under this program.

This is why our party cannot accept the amendment proposed by the Leader of the Opposition to terminate the bill after 18 months. As I say, we cannot accept the bill beyond 18 months, and because we find the bill unjust beyond the period of 18 months we find it equally unjust for any period up to 18 months.

Mr. Stanfield: What logic.

Mr. Broadbent: The Leader of the Opposition says "What logic." I say to him, what logic is there in his decision to vote against a government bill that takes over his program holus-bolus, but because it does not restrict the program to 18 months they will not support it? I ask the Canadian people to judge who is being logical about this, the New Democratic Party which has consistently opposed this bill whether for 18 months or three years, or the Conservative position which says it is all right if the bill lasts for 18 months but not if it goes beyond that.

Mr. Stanfield: That is not what we say.

Mr. Broadbent: That is the logic of your position. The fundamental fault in the bill is this lack of control over the price sector, this lack of any serious attempt to keep down prices. The government could have imposed a freeze. It could have accepted the proposition that the New Democratic Party has been advocating for some years now, namely, dealing with inflation in the non-competitive sector by freezing prices and requiring corporations to justify any increase. Instead, the government has turned that idea upside down and permitted corporations to increase prices, putting the onus of proving unjust price increases upon the public.

The government's program is riddled with loopholes. It does not control prices and therefore is one we cannot accept. The government is not controlling professional incomes, either. The only effective way to hold down the incomes of professionals such as doctors, lawyers and accountants is to apply a 100 per cent tax on all income exceeding the $2,400 increase. I know that a number of New Democratic Party governments have made this pro-

posal to the federal government. They maintain it should be a national policy. But the Liberals have rejected it. In short, the Liberals have a program that will control only the average person's income, whether he be salaried or a wage earner. It does not control the income of professionals and it does not control prices.

My time is almost up, Mr. Speaker, and therefore I shall have to ask a colleague of mine to deal with a matter I had hoped to raise concerning a specific and major loophole in the program, in a sector that has a major impact on inflation, namely, the oil industry. There have been questions and answers in the last two days in the House which clearly demonstrate that the government has no interest in putting effective controls on the oil industry, but my colleague will be dealing with this shortly.

Mr. Macdonald (Rosedale): Take more time, if you want. I am sure the House will agree.

Mr. Broadbent: I do not want to abuse the privilege of the House. I conclude by saying that the amendment proposed by the official opposition is unacceptable to us, because what is not acceptable and just in the long run is certainly not acceptable for 18 months. We intend to vote against the motion, as we intend to vote against the bill as a whole. This program is unfair. It does not deal directly with inflation, with housing, energy prices, food costs. It does not deal with the kind of specific instruments that are needed to fight inflation in those sectors outlined by members of my party in a special debate a week ago Friday.

I regret to see that the reason the official opposition is going to vote against this bill is simply that it did not get an amendment passed within their time framework. I should have liked to see them join with us in voting against the bill because it is the unjust package that it is.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I was very interested to hear the minister this afternoon reply to the Leader of the Opposition (Mr. Stanfield) who moved this motion, which in its narrow terms merely seeks to bring this program to an end by April 30, 1977, rather than giving the government the powers it seeks until December 31, 1978. That is the sum and total of the amendment of the Leader of the Opposition and it is entirely in keeping with what he has been proposing. It is consistent, as he has pointed out, with his comments made at the time of the white paper and also when the government introduced the legislation on October 14.

I must say I was rather amused to hear the Minister of Finance (Mr. Macdonald) dream on, trying to put some sort of coloration upon the stand taken by the opposition on this bill. With regard to the question of controls, in February of 1973 the Conservative party proposed an incomes policy as one of the tools for fighting inflation and an election was fought over that issue. As any member of this chamber knows, the Liberal party and the New Democratic Party, each for its own particular reason, opposed controls as a tool to fight inflation. That was their stand in 1974. The former leader of the New Democratic Party spent the first three or four weeks of the election campaign attacking the conservative proposal as though it were the only proposal in the armoury of this party for dealing with inflation. Up to that point a good part of the press just ignored inflation. They just carried on as though everything was the best of all possible worlds, at least according to the Minister of Finance.

Mr. Benjamin: They were wrestling inflation to the ground.

Mr. Lambert (Edmonton West): No mention was made of wrestling inflation to the ground; that came later. They scared the voters in Ontario and in Quebec, as though controls were the only tool to be used to fight inflation, but the voters in the rest of Canada thought otherwise. What happened in Ontario with the New Democrats? They had controls as well. They had a prices review board with powers of roll-back. It only takes seconds of consideration to know that is a full, mandatory price control of wages, rents and everything in the armoury.

● (1730)

The hon. member for Nickel Belt (Mr. Rodriguez) says "just prices". What holds up prices? What is one of the chief constituents of any price—wages. Wages come in heavily in any element of price, as do rents and profit. In any consideration of price one must consider all the elements. The net result, we know, is that the former leader of the New Democratic Party did such a good job of hoodwinking the Ontario voters that when it came about that there would be a prices and review board, the voters saw what it was. What did they do? They said they would not have either. They took the position that the Liberals had told them everything was going fine and that they would just be fed dollars, that the program would be upped; there would not be too much indexing, but the government would give so that the people would be compensated for inflation.

We know what they did with the money supply. Be that as it may, I want to deal with the point the Minister of Finance was trying to make, I think quite wrongly, namely, that the purpose of this amendment is somehow to cut back the program of controls, that the 90-day freeze, plus up to two years of controls was 27 months, and how far is that from 42 months as is now proposed; therefore it is really not very much different. That is not the purpose. The minister should have quoted fully what was said by the House leader of the official opposition the hon. member for Peace River (Mr. Baldwin). I underline that sometimes it is very dangerous to quote out of context. Let us look at what the hon. member for Peace River said on October 17. I shall put it all on the record so there will be no ambiguity about it. I shall quote from the first column on page 8314 of *Hansard* for October 17. The hon. member said:

> To begin with, I am simply appalled at the effrontery of the Prime Minister, the Minister of Finance and the government in asking this House to grant to it the unique, extraordinary and terrifying powers, to use the minister's words, which are asked for for an open-ended period of time. I would protest if my own party asked for those powers. Despite the respect and admiration I have for my leader, I would oppose him if he introduced legislation of this kind, although I could never see him seeking to do so in these terms. Let me put it simply in this way: the legislation as it presently stands would permit this government, some time in the late fall of 1978, to put forward and ram through motions which could extend for another two, three or four years the kind of legislation which we are considering. I am not prepared to entrust this power to any group of people, and certainly not to this government.

The hon. member continued:

I repeat, that as far as we are concerned, this aspect is totally unacceptable and simply will not wash. We will be proposing an amendment at the appropriate stages of committee and later to deal with this, and in our view failure to provide something to cover this problem, so that we will not be in a position—

Here it is, Mr. Speaker:

—where we sit here until 1978 waiting for the government to decide whether to extend the legislation, is unacceptable. We will propose an amendment which will provide that at an earlier date during the life of this legislation, this House will have, as it must, the right to decide whether under the circumstances which then exist the extension of the legislation is warranted.

We are not attempting to shorten the program. We say the government is asking this House to wait a long time to decide on extending the program, and we say this cannot happen in light of the powers and the circumstances of this legislation. The minister himself said this legislation was most terrifying.

Mr. Macdonald (Rosedale): Frightening.

Mr. Lambert (Edmonton West): Yes, frightening. I quite agree with him. This afternoon I had occasion to reread the proceedings in 1955 dealing with the Defence Production Act. I do not know whether the father of the hon. member for Mississauga (Mr. Abbott) was then a minister of the Crown. He had been shortly before. But we all know about the Defence Production Act debate in 1955, when this House refused to give consent and the government acceded to the opposition in the House in respect of granting absolute powers to the governor in council and giving the government a completely blank cheque.

What is the House asked to do in Bill C-73? Under clause 20 (8) there is granted to the administrator the power to make any order which can contravene any and all acts that this parliament has passed or is likely to pass during the duration of this legislation. Someone in the New Democratic Party said that they were rather disappointed that the official opposition opposed this bill only for the reason of its duration. Somehow or other—and I am surprised at this—they have missed the implications of clause 20 (8). I recall the absolute indignation, in fact the violent protest, of the former leader of the New Democratic Party when he saw the provisions and what was meant by the War Measures Act in October, 1970, and how civil rights were forgotten. Let me read what appears on pages 21 and 22 of Bill C-73:

An order of the Administrator made pursuant to subsection (1), paragraph (2)(*a*), (4)(*a*) or (5)(*a*) is binding on the person against whom it is made notwithstanding any agreement that was entered into after October 13, 1975 (whether before or after the order was made), notwithstanding any other Act or law enacted or made before or after the coming into force of this act, and notwithstanding that the order conflicts with anything that was established in accordance with or approved pursuant to any such other act or law.

● (1740)

Is that not the biggest blank cheque that this House had been asked to write in favour of an official named under this legislation? It is not a blank cheque to the governor in council, the governor in council being responsible in theory, at least, to this House. But we being asked to approve a provision stating that an appointed official, whose acts are barely reviewable except perhaps in law, can make an order that is contrary to all acts that have been passed, save one.

Mr. Benjamin: Then why would you want him for 18 months?

Mr. Lambert (Edmonton West): That shows how slow the hon. member is because an amendment was put in committee to eliminate that section and to provide for the protection of civil liberties. Unfortunately, when the vote came, there was no representative for the NDP there to support that amendment.

The only exception is the Canadian Bill of Rights which states in clear and unequivocal terms that for it to be set aside there must be a specific provision in a subsequent act which says that the Canadian Bill of Rights is set aside. That is not done in this bill and therefore the Canadian Bill of Rights will stand. But that is all that stands. Strangely enough Bill C-72, the Canadian Human Rights Act, which is on the order paper, is excluded because I am sure government members hope that the House will pass that bill. But why pass it? They will have passed Bill C-73 which sets it aside.

We are asked also why we oppose this bill. We accepted in principle the question of controls, but our leader has indicated the conditions on which we accepted the government proposals. We do not write a blank cheque from the very beginning and say that we will accept government proposals and explanations sight unseen. I agree that we also have some reservations with regard to some of the loopholes and difficulties we see in the bill, but we admit also that a system of controls is difficult and, as our leader has said, there are some elements of rough justice. But, my goodness, surely the cancer of inflation which has moved on to the Canadian scene has been growing over these past many years with no intervention from the government.

Inflation is continuing notwithstanding the fact that the Prime Minister (Mr. Trudeau) said in 1970 that they had licked inflation, and on a subsequent occasion said they would wrestle it to the ground. The only way in which they have done any wrestling with inflation is to take something partly from somebody else's program and to show that it is imperfect and creates more rough justice than it should—and I put the emphasis on the word "rough". There were other statements by the chairman and vice-chairman of the Anti-Inflation Board that if they had had their preference they would have preferred a 90 day freeze.

An hon. Member: Rubbish.

Mr. Lambert (Edmonton West): The hon. member for Mississauga (Mr. Abbot) made that statement in a partisan manner because, after all, I am sure he has great respect for the chairman and the vice-chairman of the Anti-Inflation Board. The transcript will show that both the chairman and the vice-chairman said that if they had had their preference they would have preferred a freeze on prices and incomes because, as the chairman said, he now has nightmares thinking about the problems that are growing with prices creeping up and wage demands continuing.

It will take some time to get everything into position. I would have expected it, and personally I would have felt

that the minister would have had a great deal more acceptance of this program from the public. After all, we do not hear too many howls from British Columbia where another opponent of price controls, one of the arch disciples of the NDP, has seized upon full controls to deal with food prices, rents, and some other aspects of inflation, although not all of them.

I will not talk about fiscal and monetary policy, and I will not talk about the control of government expenditures within the framework of this bill. We are merely talking here about a system of wage and price controls. I will emphasize again that we find it impossible, notwithstanding that there is sympathy for controls, to accept the request of the government for a blank cheque until December 31, 1978. If after 18 months, on April 30, 1977, we fully understand the motive for these controls, which are to nullify, to affect somehow the inflation psychology which has been rampant in this country for years but which the government stubbornly refused to recognize—

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member but his time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): Mr. Speaker, I want to thank hon. members for their indulgence. I will not abuse it.

As I was saying, the government steadfastly refused to recognize that this inflation psychology existed in the country. I do not know where the Prime Minister read his book on present day economics, but at least now he has come up with the idea of controls. Certainly we agree that something has to be done, and that the inflation psychology has to be operated on within 18 months. Surely to goodness if the program is working, then the government can come back to parliament with a bill to continue or to modify the program. If the government is accomplishing what it has set out to do with regard to inflation—not licking inflation, because this program alone cannot do it—then I am sure the government will find the members of my party fully in support.

● (1750)

However, on the other hand, if the program is failing to accomplish its job, the country should not be saddled with a monster until December, 1978, and potentially beyond. After all, under this program there will be a massive intrusion by government into the economy. There is the potential of forever, shall we say, putting government into all aspects of the business of the country, particularly if it is there for a period of almost four years, and certainly if it is continued beyond that. That is what the minister should have said is frightening. He should have said that clause 20 (8) is frightening.

It is for those additional reasons, among others, that the Leader of the Opposition, consistent with the views he expressed right at the very beginning and all the way through, and the members of this party insist that with regard to this proposal dealing with income controls it should be for 18 months, and 18 months alone.

That is the amendment we are now considering, but we could have had additional amendments. I did propose one, which I am concerned about, in addition to that which particularly bothers the Leader of the Opposition. I put my amendment in committee. We were faced with some zero amendments, nondescript amendments dealing with marketing boards and runaway amendments from government members who took up the balance of the time, under the guillotine, and of course the net result was that there was no opportunity to debate either the amendment put forward by my colleague, the hon. member for York-Simcoe (Mr. Stevens), or the amendment of the Leader of the Opposition, or mine.

I thank hon. members for these additional minutes, and I hope the arguments we have made with regard to this bill will commend themselves to the House.

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion before the House moved by the Leader of the Opposition (Mr. Stanfield) asks that this program not last longer than April 30, 1977. I fail to understand the logic behind a motion of this sort after listening to the hon. member for Edmonton West (Mr. Lambert), the Leader of the Opposition, and other members of the Conservative party because they have now taken the position that they are condemning the program.

It seems to me that if they condemn the program so strongly they should be interested in making sure the program does not come into effect, using whatever parliamentary power and muscle they have unless of course the government is willing to amend the program to make it more acceptable to them. It strikes me as very strange that they would move a motion which would accept the program for 18 months while still condemning it loudly from the other side of their mouths.

All along our party has taken a very clear and consistent approach in the debate on this bill. We have been saying that this legislation is not fair, not equitable, and will not work in Canada at this time. It will not have any real impact on making a more equitable and just society or economy than we have today. We said at the outset that this program is essentially a wage control program. It will not be concerned with controlling prices or profits in a serious way. When it comes to controlling prices, there are many loopholes.

The government says that it wants to control profits at the end of the year, but it will control profits at 95 per cent of their level over the last five years. This strikes me as rather strange, particularly when wages will be controlled at a level whereby the rate of increase will go progressively down from 10 per cent to 8 per cent to 6 per cent, if workers receive their 2 per cent productivity increase. At the same time the profit level which is to be controlled will actually go up because it will be 95 per cent of the last five year average, and in the last five years profits have been very high.

However, if we go back five years, profits were at a lower level as they went through the regular business cycle. As we move along, the profit average for the last five years will be higher next year and the year after than it

will be this year, which means that prices will be allowed to increase, according to the government's own guidelines.

Then, to make it even more difficult for us to buy this bill, in terms of its being equitable, corporations will have exemptions for non anticipated costs. What does that mean, and how is that defined? We will not know that until the regulations come in. There will be an exception for an unusual productivity gain. Again what is meant by that? We will not know the answer to that question until the regulations are brought before the House.

This leads me to another point which is objectionable about this bill, and that is the immense power we will be giving the Anti-Inflation Board, the administrator of the board, the chairman and the vice chairman to draft regulations, to interpret them, to make judgment on various cases, be they cases of wages or salaries, or be they anything which comes under the general purview of the Anti-Inflation Board.

I have been here only seven years, and with the exception of the War Measures Act I have never seen such an immense amount of power go to one agency or board without any direct input from parliament itself. It seems to me that parliamentarians in this House should demand to look at the regulations before we allow this bill to pass. The Conservative party is beginning to talk about these things, but at the same time it is willing to accept the bill if there is an 18 month time limit placed on it. If the bill is so bad, how the devil can they possibly accept it for 18 months?

This amendment is just one of the devices the Conservative party is using, in terms of its strategy, to work on an excuse to oppose the type of legislation that we have before us today. For that reason and others I cannot support the amendment before us, and I urge hon. members of the House to vote against the amendments which have been introduced by the Conservative party.

As we in this party have said, we have opposed this bill consistently from the beginning because we do not think it is fair. We think it is a wage control bill. It is easy to control the wages of working people. They are out in the open and under contracts, and they can be controlled very effectively. However, on the price side, we have said many times that there are so many possible loopholes that we do not think the government is going to be serious about controlling prices.

As a matter of fact, I believe the other day the vice chairman of the Anti-Inflation Board, Beryl Plumptre, along with some other members of the board said that the government should not be too tough when it comes to controlling profits and prices. After all, both Mrs. Plumptre and Mr. Pepin believe in the so-called corporate enterprise system. They believe that there should be profits and competition in our economy if it is to be healthy. If there are people with that type of bias drafting the regulations, interpreting them, and applying the law, I am sure they are not going to apply the law in a way which really restricts corporations, their price mechanisms, and the way they make profits. That is the kind of background from which those people come.

[Mr. Nystrom.]

● (1800)

Mr. Pepin comes to the job after resigning directorships in seven corporations. He comes to the job with a record which is clearly biased on the side of business and big corporations. That is his business and I am not complaining about Mr. Pepin. But I am saying that he is going to have a clear bias when he makes decisions concerning profits and prices that come before the Anti-Inflation Board, and when he makes decisions concerning workers' salaries and wages that come before the Anti-Inflation Board.

Another reason why our party is not supporting this amendment is that we do not see any control of professional salaries like the controls that have been imposed on the lives of working people. The only way that there is going to be any serious control over professional salaries is to have them controlled on a national level and taxed back at a rate of 100 per cent of any increases above the $2,400 level. That is the only way to do it, but as far as I know the government has rejected that proposal which was made by many people, including several provincial governments.

Another question that was referred to by the hon. member for Oshawa-Whitby (Mr. Broadbent) was that the government is not going to put controls on the price of energy or oil at the wellhead. It seems to me that if you want to control the price of gas and oil, that is where the controls should be applied. If the price increases at the wellhead, the cost is going to be felt right through to the retail level. Anyone who purchases gasoline, for an automobile or farm machinery, is going to have to bear the increase.

We have said consistently in this party that gas and oil should be publicly owned and treated as a public utility. I am sure the minister is aware of the latest Canadian public opinion poll issued a few days ago which showed that 51 per cent of the people in this country want gas and oil under public ownership. That industry should be developed as the government of Saskatchewan is going to develop to potash industry, as a resource that belongs to the people, with the profits to be shared by the people and not the multinational corporations. We have consistently taken that position. If the industry were under public ownership it would be possible to keep prices down. It could be developed in a way that is good for Canada, or the resource could be conserved for all Canadians.

There is no guarantee that if the wellhead price increases any of the money will be used for exploration and development in Canada. If the government is not going to nationalize the oil industry surely it should make sure that any increase in the price of oil will be used for exploration and development. Any increase in the price of oil is inflationary and should come under the purview of the Anti-Inflation Board.

I have here some statistics from Statistics Canada which prove the point that, as the profits of gas and oil companies increase, they do not necessarily spend more on exploration. In 1972, for example, the book profits of petroleum corporations in Canada were $393 million and in that year they spent $512 million on exploring for gas and oil in Canada. In 1975 the profits of oil companies had gone up to $845 million and the amount they spent on exploration was $577 million. They spent very little more on exploration

when their profits increased by well over 100 per cent. There is no direct relationship between spending more on exploration and development and what their gross production revenues may be. I appeal to the government to control the price of oil at the wellhead.

These are things that are not going to be done under the bill as it is constituted. These are reasons why we cannot accept the amendment moved by the Leader of the Opposition that the bill be limited to 18 months. If it is going to be a bad bill for 30 months or 40 months, then surely it is a bad bill for 18 months. If it is bad bill for three years it is a bad bill for a year and a half. If the Conservative party is going to complain about it for three or 3½ years, I do not see how it can justify using the same powers for a year and a half. I do not see the logic of its position.

As the Minister of Finance (Mr. Macdonald) stated earlier, in the election campaign of 1974 the Conservative party was talking about legislation which, if you combine the freeze part of its proposal with the controls part of its proposal, would last as long as 27 months.

Mr. Lambert (Edmonton West): Possibly.

Mr. Nystrom: That's what I said, it would possibly last as long as 27 months. I think they are just trying to jostle a bit, politically. I think they are a little bit embarrassed by what has happened.

We have had one of the greatest turn-arounds in Canadian politics over this issue. In the 1974 campaign people were going around this country saying that controls were bad—they were of the Liberal party. A few months later all of a sudden the Liberal party made a complete somersault. It has promoted the idea and has brought legislation into the House that is essentially the same—with the exception of the 90 day freeze—as what the Conservative party was offering in that campaign. Again all of a sudden, then the official opposition is doing the same kind of somersault.

It is our party that has been consistent throughout the whole debate. When we talked about inflation, when we talked about a controlled program, and when we voted in the House. For those reasons, Mr. Speaker, under no circumstances can I consider the amendment put forward by the Leader of the Opposition as one that warrants my support and my attention.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): The hon. member for Regina-Lake Centre (Mr. Benjamin).

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I also rise to speak in opposition to motion No. 3 and I will have something to say on motion No. 5 put forward by the Minister of Finance (Mr. Macdonald).

It is possible that the NDP might owe some apology to the Progressive Conservative party because during the 1974 election we did such a good job in shooting down their wage and price controls that no doubt a lot of people were scared into voting Liberal in order to protect their incomes. This hurt us as well as the Conservatives. We may owe them a bit of an apology, but that does not mean we were wrong in the position we took then, which is the same position we take now on the legislation that the government proposes.

I want to repeat what I have said before. The question is not whether we should have a program to contain the rate of increase of inflation or lessen it. The question is not what the government is proposing to do, but how it is proposing to do it.

I say the official opposition is in the same boat as the New Democratic Party—its members are also unhappy about how the government proposes to fight inflation. I would feel more comfortable if the Leader of the Opposition (Mr. Stanfield) were prime minister and implementing a program to fight inflation. I would be more inclined to trust him than the government across the way. A government that can make the switch that it has made in the last 15 or 16 months is just not to be trusted in carrying out a program to fight inflation.

There is an additional reason why it is not to be trusted. In its fight against inflation in 1969 and 1970 when the Prime Minister (Mr. Trudeau) said in his Christmas broadcast that we had inflation licked, we all remember that that fight against inflation was carried out as this one will be, on the backs of the wage and salary earners. There was some lessening in the rate of inflation and the government of that day had some modest success, but at the cost of a much greater rate of unemployment. I submit that was a higher cost than the cost of the rate of inflation that we were suffering at that time. This legislation proposes to do exactly the same thing but on a more extensive scale and in a much harsher way.

It has been said many times by the spokesmen for the NDP that the legislation is unfair and inequitable. Shortening the program to 18 months from 36 months will not lessen the injustice. The program is still unjust and unfair, still unworkable in a fair manner.

● (1810)

The hon. member for Edmonton West (Mr. Lambert) spoke about fighting the inflation psychology. If this legislation were to fight inflation on the backs of those who cause it, my party might be inclined to support it. But it chooses to fight inflation on the backs of those on fixed incomes, pensioners, those earning minimum wages, and the unorganized who earn low incomes and lack protection. For the benefit of that hon. member, there is no inflationary psychology in the minds of old age pensioners, those earning minimum wages, the unorganized, those who cannot protect themselves, and those who earn $7,000, $8,000 or $9,000 a year. They are the majority of our population and there is no inflationary psychology in their minds. They make desperate attempts to catch up, to avoid being even worse off because of inflation.

This legislation will not affect those who cause inflation, the finance institutions which, even as this bill was being discussed in committee, were allowed to raise interest rates and further sweeten their profits from money lending. I thought the money lenders were chased from the Temple 2,000 years ago; but they have since "snuck" in the back door. They are partly responsible for inflation.

And what about those who are to escape the provisions of this legislation, those whose increased earnings come from so-called increased productivity, the doctors who see more patients in less time, the architects who design a greater number of office buildings, and other professionals. They will be able to claim their productivity has increased and evade this legislation; but they contribute to inflation. Those with incomes as large as we earn as members, and larger, are imbued with inflation psychology. Such people take more from the economy than they put into it.

Do members of the official opposition think for a moment that people on minimum wages, on pensions, and on fixed incomes are taking more from the economy than they put in? If they think so, let them work a few days for the minimum wage and see how they feel.

Further, we feel we cannot support the amendment of the Leader of the Opposition as we do not think prices and incomes legislation can effectively combat inflation by itself. You cannot do it in isolation from other things. By itself such legislation will not work, as you must consider all the other factors contributing to inflation. A program of income and price controls should be an essential part of an over-all economic plan. You cannot have one without the other, as the song says. If you are to control or restrain prices you must, it seems to me, control production. In other words, you need mandatory production controls, as C. D. Howe realized during World War II. He knew that without adequate production controls some companies would hold production back for better prices. Therefore we need measures to control production.

I suggest that the proposed regulations for controlling prices will, in many areas, be ineffective. How will they work in transportation? In short, we must arrive at a consensus or, in the words of Harold Wilson, a social contract which includes all segments of society, workers, businessmen, farmers, consumers, and federal, provincial, and municipal governments. We must arrive at a consensus. There must be an overwhelming desire on the part of the majority of the population to be involved in the program. That is not the case at present. This consensus is not an element in this legislation.

There is a third reason for our not supporting the amendment. Although I am not an economist or expert it seems to me that deadlines have their limitations, as the shorter the period to the deadline the greater is the likelihood that those who can afford to wait for the expiration of the program will do just that, sit back and wait for it to end. The Minister of Finance mentioned the experience in Britain and the United States where there was an explosion of price increases immediately after the expiration of price and income control programs.

An hon. Member: Both countries were under Conservative governments.

Mr. Benjamin: Those governments were headed by Mr. Heath and Mr. Nixon, both Conservatives as the hon. member says. Those governments served notice on those whose prices and incomes were to be controlled. Those who could afford to, sat back and waited for the controls to end. I suggest to the Leader of the Opposition, with all respect, that his 18-month proposal would suit ideally every major corporation which could adjust its production and inventory and wait for the arrival of April 30, 1977, after which there would be a price explosion. But the ordinary person cannot do that, if the experience of the United Kingdom and United States is any guide.

It seems to me that a lesser evil would be no deadline at all. Why should not the government be required to come to parliament every 12 or 18 months with a report, which parliament could debate? If the government were to feel at any time it no longer needs the program, it could say to parliament, "We want to repeal part or all of the program." There would be no need for any deadline. Then those who want to evade the controls, particularly on profits, professional fees, interest income, and so on, would not know how long they must wait before exploding upward their prices or profits. It seems to me for that reason that the Conservatives' amendment to reduce the period to 18 months will merely increase the likelihood of evasion.

Let me refer to something that happened not long ago to show why this program is misconceived and why the fight against inflation cannot be isolated to one program. Last week the "Big Six" met in France, and Canada cried like a child refused an invitation to a birthday party because our government was not invited to attend. I am glad it was not invited because, judging from the attitude of our government, it would have contributed nothing to that conference. One of the main items discussed at the conference was the fight against unemployment. It was held that the industrialized nations of the western world should put a higher priority on the fight against unemployment than on the fight against inflation.

● (1820)

Since the government has no program to fight unemployment with an equal priority to inflation, its representatives would have had no contribution to make had they been invited to sit in with the "Big Six". Instead of being one of the "Big Six," they would have been the little seventh. That is all they could have done. They would have had something to say about inflation, but nothing about unemployment.

The concern has to be more about recession, unemployment, and other ancillary problems such as housing, as much and more as it is about inflation. From what I have been reading the last few weeks I understand that the trend around the world, without this phony program of the government, is deflationary. The problem that we had a few months ago is not as severe now, and will not be as severe in the coming months.

I want to say a few words about what the spokesmen for the Anti-Inflation Board and the government have been saying with regard to marketing boards. I remind the members of the official opposition of the position they took and with which we agreed, the protection of the primary producer at the farm gate and of the fishermen at the dock. I ask hon. members in the official opposition whether they do not find it passing strange that, at the very first press conference of Mr. Pepin and Mrs. Plumptre, of all the areas of the economy there are to be looked at with regard to inflation, such as financial institutions, professional fees, wages and salaries, and so on, the one they chose to zero in on and attack was marketing boards.

I remind the members of the official opposition that marketing boards are right beside the farm gate and on the dock beside the fisherman's boat. Controlling the ability of marketing boards to provide stable and reasonable incomes, having some relationship to cost of production to primary producers, negates entirely the principle held by the official opposition about protecting the primary producer at the farm gate.

This morning's *Globe and Mail* adds further to my fears about how this program will be operated under the tender mercies of Jean-Luc Pepin and old Ma Plumptre.

Some hon. Members: Oh, oh!

Mr. Benjamin: That should be sufficient for members of the official opposition to agree with us that not only is 36 months no good, but neither is 18 months. The program designed by the government will not work. It is unfair and unjust. For that reason, it is worthy of opposition.

I appreciated and admired the stance taken by the Leader of the Opposition at the outset, during the debate on the white paper, and at second reading when his party was prepared to support in principle a program to combat inflation, a program of prices and incomes control. However, he left the door open and reserved the position that, if the government did not bring in sufficient improvements in committee and at report stage, his party would not support the legislation. Lord knows the government needs all the support it can get from all sectors and all political parties if it is going to have any success in fighting inflation.

Surely reducing the length of the program from 36 to 18 months is in no way sufficient to satisfy the leaders and members of the official opposition. Surely it cannot be sufficient. Surely there is more than that which they wanted at report stage. Surely they cannot have decided that cutting the length of the program in half is sufficient. If so, I state quite frankly that that is a sell-out of the principles they stuck to very firmly in the 1974 election campaign, something that I admired. If they now believe that 18 months is sufficient, I say that is a sell-out.

I notice my time has almost expired. I will use my remaining few minutes to say a few words about motion No. 5 moved by the Minister of Finance (Mr. Macdonald). It provides, and I quote:

> Where, at any time after March 31, 1977 and before July 1, 1977, a motion for the consideration of the House of Commons, signed by not less than 50 members of the House, is filed with the Speaker to the effect that this Act shall expire on a date before December 31, 1978—

My quarrel with the minister's amendment is the 50 members provision. I remind the minister that we have argued this before with regard to other items of legislation. On some occasions we persuaded the government, and on others we did not, with regard to setting a much more fair and reasonable figure as to how many members of parliament are required to bring such a motion into effect.

I submit that the number 50 was either thoughtlessly arrived at by the government, or deliberately arrived at to prevent at least two political parties in the House of Commons from bringing such a motion into play. I choose to believe the former, that the figure of 50 was thoughtlessly arrived at. Therefore I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That Motion No. 5 be amended by deleting therefrom the phrase "50 members" and by substituting therefor the phrase "20 members".

The Acting Speaker (Mr. Turner (London East)): It being 6:30 p.m., I do now leave the chair until eight o'clock this evening.

At 6:30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: When the House rose at 6.30 p.m. we were considering the report stage of Bill C-73 and, in particular, motions 3, 4 and 5, together with an amendment to motion No. 5 which had just been moved by the hon. member for Regina-Lake Centre (Mr. Benjamin). The debate is open on those three motions and also on the amendment.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I suppose the purpose of our putting forward our amendment to the motion is to impress further upon the House our opinion that the soomer we can bring these so-called wage and price controls to an end, the better. In other words, the sooner we can rip away this sham anti-inflation program the better the Canadian people will be served.

I say this as I rise to speak upon the sub-amendment because I feel the control program is nothing more than a wage control program. We in this party have no objection to an incomes policy, no objection to an anti-inflation policy which is universal and which contains elements of justice. But the program which has been placed before us is, as I say, nothing more than a plan for wage controls.

I might point out that whenever similar plans have been put into operation in countries abroad they have almost always resulted in high unemployment. It is no accident, I feel, that concurrent with the program we are considering today the government should be promoting a bill entitled Bill C-69, amendments to the Unemployment Insurance Act, a measure which in a very real sense redefines the acceptable rate of unemployment in this country. Whereas in the past 4 per cent was said to be acceptable, after the amendments to the Unemployment Insurance Act have been passed the acceptable rate is to be 5.6 per cent, liable to upward adjustment.

Let us consider what has been happening in relation to collective industrial power in the hands of the workers in this country. It seemed to me we were just about to turn the corner as far as the redistribution of profits in the direction of wages and salaries was concerned. In 1969 the government set up the Prices and Incomes Commission. I have been looking recently at a statement by one George Haythorne, a member of that ill-fated Commission in which he explained why they were attempting to set up a commission to inquire into prices and incomes:

> From 1957 to 1963 the share of Canada's national income going to profits and capital had risen steadily. That situation was reversed in 1964 when labour's share began to rise. The trend continued until 1970.

Given these conditions, action to stabilize the economy was clearly required.

That statement is to be found in Prices and Incomes Policy—The Canadian Experience 1969-72—International Labour Review, Volume 108 No. 6, December 6, 1973.

There we have it. There was a reason at that time for the government to try to bring in an incomes policy based on the fact that labour was finally succeeding in using its organized power to get a bigger share of the national income pie. However, shortly after that policy was embarked upon unemployment began to rise and the share of the national income which went to the working classes fell from 72.8 per cent in 1970 to 67 per cent in the first half of 1974. From mid-1974, labour's share increased to 69.4 per cent and by the end of 1974 it had risen to 70.8 per cent. Big business profits and interest fell to 21.1 per cent by the end of 1974 and to 20.1 per cent in mid-1975. So it is fairly obvious that the lines were drawn, that what was happening was that finally labour was starting to get a share of the national income pie. This was due largely to the better organization of the trade union movement and to the militancy they were exhibiting in terms of getting a better share of the pie.

● (2010)

The corporations convinced the government that there would have to be a turn around, and that if the corporations could maintain their high profit this would somehow ensure there would be jobs and a very buoyant economy. Largely to protect their own profit margins they convinced the government that it ought to apply some form of wage controls. This was evident when the former minister of finance tried to get a consensus on wage controls.

During the election campaign of 1974 the Prime Minister (Mr. Trudeau) came to my neck of the woods and made a speech near Timmins on June 28. During the course of his speech he said this:

You can't freeze executive salaries and dividends because there are too many loopholes to squeeze through.

Then he went on to say that the Leader of the Opposition (Mr. Stanfield) had already said he would not freeze prices of farm produce and fish, that he could not freeze the prices of U.S. imports and Arab oil, and that he admitted that he would exempt housing prices. So the Prime Minister shouted:

So what's he going to freeze? Your wages. He's going to freeze your wages.

Nothing has changed, Mr. Speaker. The Prime Minister correctly identified the problems with wage controls, or an incomes policy, call it what you will. It is very easy to control wages. As a matter of fact yesterday the Postmaster General (Mr. Mackasey) castigated the unions, saying they were unpatriotic in not supporting the government's wage controls. Are we suddenly to assume that International Nickel, Falconbridge Nickel Mines, and a host of other large corporations in Canada have become very patriotic when they are telling their workers they will give them 10 per cent but not to ask for more? I think it was Samuel Johnson who, in speaking about patriotism, said it is the last refuge of a scoundrel.

Mr. Benjamin: That was Lyndon Johnson.

[Mr. Rodriguez.]

Mr. Rodriguez: In any event, when Falconbridge and International Nickel begin to be patriotic, I begin to worry.

Mr. Darling: You would worry a lot more if they were not in your riding.

Mr. Rodriguez: Falconbridge have just laid off a thousand. They only stay in my riding for what they can get out of it. It is obvious that these controls will very effectively apply to wages. Wages will be limited to 10 per cent—8 per cent plus a further 2 per cent for productivity—but prices will rise under the cover of increased costs, whetever that means. Rather than hold down prices and let wages adjust, the government has found it convenient to hold down wages and hope that prices will adjust.

It is clear that the government has assured the corporations that their real profits will not decline under this policy. The workers will have to buy a pig in a poke. They have to accept a ceiling on their wage increases, hoping and praying that the 8 per cent will be enough to cover any increased costs in their living expenses. In addition, the government is exempting from the controls energy prices, food prices, interest rates, and the cost of land.

Yesterday the Toronto-Dominion Bank, I think it was, said that its profits after taxes were something like 27 per cent. Having heard that report, keep in mind that they hanged Dick Turpin. The banks will just walk away from these controls, yet bank interest rates touch the lives of every Canadian. That is free enterprise.

Mr. Benjamin: The banks never lose.

Mr. Rodriguez: The banks never lose. It seems to me the ability of the government to make even those prices that are to be controlled relate themselves to costs is limited. Wherever workers are engaged in collective bargaining, the negotiations are open. Everyone knows what the collective bargaining process involves. Everybody knows what the postal workers are after; it is open and on the table. They know what the negotiations are going to result in. That strike is all above board. But the pricing decisions and the profit structure of corporations are not open to public scrutiny. The reason for this is, they say, that they do not want their competition to know what their pricing and profit structures are. This is why these negotiations take place behind the closed doors of the boardrooms.

To illustrate how involved is the process upon which the government has embarked, at first the controls were to apply to 1,500 large corporations. I understand this figure has now risen to over 6,000. The government is going to hire 200 bureaucrats to monitor these 6,000 corporations. Regional offices are going to be set up to monitor prices. It is frightening to think that we are now setting up a new bureaucracy, a kind of bureaucracy where corporations which can afford to hire high priced accountants will certainly find ways to escape.

Another avenue of escape, of course, lies with the multinationals. When the Minister of Finance (Mr. Macdonald) was in the committee I asked him about a matter that some of my consumers were reporting to me, namely, that Canadian clams and salmon caught off Canadian coasts were being shipped to Japan for packing and then brought back to the Canadian market for sale. Under the guidelines

these products would be exempt from price control. These clams and salmon were packed for George Weston Limited, and in effect we have a price transferral system which can only result in the multinational corporations escaping from these controls. Yet the government asks the people to accept its program as fair.

The people have reason to be skeptical of the government's proposal. The government has said that a limited number of price increases will be submitted to the government before they take effect. How can the Anti-Inflation Board which will consist of 200 persons be able adequately to determine the intentions of the corporations in this regard?

The British experience shows that a similar system was in operation there between July, 1967, and June, 1970. Despite the British government's own estimate of three million price changes being made a year in Britain, only 2,162 notifications were received by that government over the whole three-year period. Of these, 1,807 were accepted as notified. This meant that out of 3 million price changes the government price control machinery either modified or rejected a grand total of 345, or .0004 per cent. If the British labour government's price control was as empty as this, it is easy to imagine how our government's price control will be under its program when we consider the close financial, personal, and idealogical ties it has with big business.

● (2020)

One reason why this party has rejected either an 18 month, a three-year or whatever it may be period for the program is highlighted by the policy in respect of wages. So-called price controls have grievous implications for workers who are subjected to the policy's wage guidelines. As we said, the maximum allowable will be 10 per cent, 8 per cent plus 2 per cent for productivity.

It seems to me there are two particular problems. The first is that the 2 per cent growth rate figure is a low estimate and runs the risk that actually the economy will grow faster and that the excess growth will go to profit, which the guidelines specifically allow.

Secondly, and even more important, the present rate of inflation is 11.3 per cent, not 8 per cent. If there is no change under the weak price controls, the real income of the workers, even including the 2 per cent for productivity, will fall by 1.3 per cent and they will get no share of the growth in output of the economy.

Who benefits in this program? The way the government has made it look it is as if the worst off will benefit, and that if you can put the cap on the top somehow or other, by some means of osmosis, those who are the worst off will benefit. That is the kind of impression they have tried to leave. This policy our party has said, and says again, is not designed to redistribute income but is designed to freeze the present distribution of income. Since everyone is to get the same percentage increase, whether their income is high or low, this means we will create a situation in which the top 20 per cent of the income recipients will get 50 per cent of the total income while the bottom 50 per cent will get 30 per cent of the total income, and the lowest 20 per cent will get 2 per cent.

In effect it is not only a freeze but, as my leader points out, it evens widens the gap between the top and the bottom. So we are not talking about a program of redistribution of wealth which this party for years has told the government and the Canadian people is needed.

The government permits a pitiable, minor amendment allowing low income Canadians to get $750, while the top group is limited to $2,400. It seems to me that if it were really serious about this kind of proposal it ought swing it around so that the top would get the $750 and the bottom would get the $2,400. Even with the proposals it makes there is no power for the low income earners. They have no opportunity to obtain even that $750. They have to have some process through which to approach their employers in order to get the $750. They have to have some structure which they do not presently have. In effect they depend on the largesse of the companies for which they work to give them even the $750. As we know, there are people—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I want to speak, this evening, to Bill C-73, and more specifically to the motions now before the House, which motions stem from the work done in committee. Through the Prime Minister (Mr. Trudeau), the government put before the country a program to fight inflation. About that program: the Prime Minister turned it down during the last election campaign because, he claimed, the time was not yet ripe to fight inflation. At that time, whatever we may say, the government, as repository of the truth, claimed that the time had not yet come for it and that, consequently, the market should be allowed to work freely. Now, this year, early in the current session, the government, in dramatic fashion, announces an all-out fight against inflation, saying salaries will be controlled, unacceptable price increases will be prevented, and suddenly, the government centres that fight on a voluntary basis, which means that according to the government members the program will be efficient only to the extent where Canadians are willing to co-operate in the fight against inflation.

Some fine day, the government decided to launch an attack against inflation after having—it will be recalled—consulted businessmen, labour leaders, and asked their participation, even before passage of the bill. It will be remembered that at the time, the reiterated appeals for voluntary co-operation went to no avail. That means that the government was aware, that it knew, when it introduced the bill, that voluntary co-operation had, if any, very little chance of success, since the predecessor of the present Minister of Finance, the Prime Minister and other ministers had already strongly urged the business community and labour to co-operate. Before this famous fight against inflation was announced by the government, the latter had been assured there would be no co-operation on a voluntary program, if not been told so categorically and almost unanimously.

Therefore, Bill C-73, intended to launch a fight against inflation is based essentially, and here I refer to the statements of the members of the Anti-Inflation Board—on the willingness of the people, big and small business to co-operate.

● (2030)

This bill is meant for companies with 500 employees or more, but it asks all other small businesses to abide by it voluntarily. This legislation does not control imports nor exports. It does not deal either with collective agreements signed before October 14 or during the last fiscal year. This legislation indeed is voluntary.

There is much confusion about this bill, Mr. Speaker, and now we see it. Judging by the reaction of unions, without approving that reaction, it remains that we can take for granted that the main unions are not willing to co-operate with the government.

Mr. Speaker, I wished to point out tonight that if a voluntary anti-inflation program is to succeed it must obtain the approval of a majority of Canadians. Now under the present economic and social circumstances, inflation has already claimed its victims. Mr. Speaker, the government is simply too late. Like many others, I wonder if Canada will be the fourteenth country to fail in its fight against inflation. First, the government does not deal at all with the banking or monetary system. Not at all. The Minister of Finance (Mr. Macdonald) even admitted several times in the House that he has no control over interest rates.

I refer here to a document published by the government and entitled "Highlights of the Anti-inflation Program of the Canadian Government". On page 17, we can read the following:

Even though it is impossible to control interest rates set on financial markets.

Mr. Speaker, who then controls the economic blood of the country? Who controls the purchasing power of the citizens if the Minister of Finance himself, in his official documentation, admits that he has no control over interest rates? In that case, Mr. Speaker, whether the anti-inflation legislation of the government lasts two months, ten months, eighteen months or thirty-six months, in its fight against inflation to protect individuals and businesses from this monster that we call inflation, the government must strike at the root of this evil, namely our economic system. Someone laughed. Some believe that the Social Credit solutions are not valid, that they are only for show, but the present situation has made thousands of victims, and the government is establishing a restriction program which applies precisely to the less-favored people. People who earn $24,000 a year will be entitled this year to a $2,400 salary increase thanks to the anti-inflation program of the government. People who earn $7,000 will be entitled to a paltry $700 increase. That is the justice, or the fair treatment of the government as concerns certain citizens. It allows those who are highest paid to obtain more and those who earn less to obtain less, while inflation affects everyone, whatever their financial situation, their job, the area or the country where they live.

Mr. Speaker, this fight against inflation is a joke because it does not attack the real problem which is the economic system. The minister said in his speech of October 14, and I quote:

If we do not succeed in working together in a firm spirit of national determination, our situation will only get worse.

[Mr. Fortin.]

Mr. Speaker, if the minister is really serious in inviting Canadians to support the anti-inflation program, he himself and the government will have to take measures or introduce proposals to the House with a view to dealing fairly with all Canadians.

Mr. Speaker, Dominion and Steinberg, two very big food chains in Canada, have been conducting a colossal advertising campaign in the newspapers in the last few days, saying that all their prices are frozen except those of perishable products. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) was boasting yesterday that that meant a first step towards the success of his program, which is entirely false. The Minister of Consumer and Corporate Affairs does not know that Dominion and Steinberg find it an advantage to refuse to negotiate now with the leaders of their employees' union, under the pretext that Bill C-73 has not yet been passed and thus setting the atmosphere of negotiation or intimidation to their employees. I know people who work for Dominion and Steinberg, two giant food products chains that practically control food marketing in Canada, one of the vital sectors of our economy. I once showed in a speech I made in the House all the ramifications of the Dominion and Steinberg empire, shopping centres, real estate and so on. Dominion and Steinberg refuse to negotiate with their employees, preferring to hide behind the government's legislation to force them to accept a 10 per cent hike. Mr. Speaker, there are threats of strikes in both these chain stores now, and the government wants us to believe it is serious. In its fight against inflation, the government is siding with the minority in Canada and wilfully turns its back on the majority of the poeple by supporting the banking establishment, the major chains of food supply and marketing. That is the government's scheme. It is based on voluntary restraint, but it does not rely on the good will of all Canadians which make up the larger part of the Canadian population. It merely calls upon the richer to set the example, which is easy for them, after having been the main beneficiaries of inflation for the past three, four or five years. But it is the small-wage earners working in plants who are imposed a maximum hike ceiling of 10 per cent today. In my city of Victoriaville, where the average salary is between $7,000 and $8,000, the average worker will be entitled to an $800 hike this year.

But they have been the first victims of inflation for the past five years. The government always refused to act, and it will be remembered on this side of the House that the government always replied that inflation in Canada was beyond control because it was imported by foreigners. This government kept repeating that there was nothing it could do about inflation since it had no control over it. They said it was imported from England and any other country, particularly Europe and the eastern bloc. Well, Mr. Speaker, lo and behold all of a sudden Canada can fight, calls on the working force, and to convince them, does not touch the banking system of the minimum wage and gives no measure of protection to small wage earners. It is going after big corporations. But, Mr. Speaker, we see the result of that. Dominion and Steinberg used that to continue to oppress their own employees. That is what I call intimidation. That is what I call rubbish. And then the minister tells us in his motions that it is very important to know how long those measures will last. Mr. Speaker, I think

they should have never been adopted for the simple reason that it is a joke in the sense that they have no effectiveness whatsoever. The main victims of that fight are small businesses which in the game of competition can no longer face big businesses and wage earners.

Mr. Speaker, I would have several things to add but since we are at the report stage I will restrict my remarks to this point. I want to say in concluding, Mr. Speaker, that I think it is not so much a matter of dates, of knowing when it begins and when it ends. A legislation is passed because it is good, or it is rejected because there is no faith in it. And in my mind that fight is not serious because the government admits it is powerless in front of the banking and monetary system.

● (2040)

I know what the members on the government side will say. They will say that we must be reasonnable in our demands. Did the government dare ask Canadian banks to be reasonable in raising their interest rate? Did the government authorize, or was it consulted about the latest rise in the interest rate by the Bank of Canada? Was the minister consulted about that?

The government tells us that it wants to encourage building during this fight against inflation and that it is going to eliminate unemployment.

Mr. Speaker, in Victoriaville a textile plant has just been closed, which means about 150 layoffs. I remember hearing the minister say in this House that the Textile and Clothing Board would protect these jobs. A hundred and fifty employees have just been laid off in Victoriaville. We are fighting inflation, so what are we going to do to protect these workers.

Mr. Speaker, the banking system continues to "gnaw", since it has the power in fact.

In the House of Commons we do nothing but speak, we adopt words. Real power in Canada lies first in the banking system which does not need Parliament; it only needs tentacles. The second power is bureaucracy. In both cases, the main inflation sources, and I conclude on this, Mr. Speaker, are the three levels of government, municipal, provincial and federal, which are the main employers in Canada, and we have no control over their expenditures. Then, there is the banking system, and the government itself recognizes they cannot control it.

Therefore, Mr. Speaker, I say that with Bill C-73 the government is politicking and the sooner this legislation will be abolished, the less the government will be able to play with the goodwill of the Canadian people.

I would not be so surprised to discover that Canadians do not respect this act, since the struggle against inflation is being waged on the backs of workers and low income people.

Mr. Speaker, I would be pleased to see the hon. member for Laval (Mr. Roy) explain those things to workers who are working in Victoriaville for salaries averaging $7,000, ask them to tighten their belts further, be reasonable and be satisfied with a $700 yearly salary increase, whereas a board has been created to fight inflation and, as a matter of example, its chairman, Mr. Jean-Luc Pepin is paid $54,000 a year. Mr. Speaker, I think it is disgraceful to tolerate such a scandal in Canada.

Mr. Deputy Speaker: Order, please. The hon. member for Laval is rising on a point of order.

Mr. Roy (Laval): Mr. Speaker, I would like to inform the hon. member that if I were to be issued with such an invitation, I would be delighted to visit those people and explain the government's policies to them.

Mr. Fortin: Mr. Speaker, I rise on a point of order. The liberals are waiting to be invited before meeting the public, but the Social Crediters as well as the opposition members meet the people directly.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on Thanksgiving Day when the Prime Minister (Mr. Trudeau) announced the policies which supposedly would be included in these wage and price controls, or this anti-inflation program, members of this party rejected the proposals, not because we are opposed to an incomes policy which would treat all the people of Canada equitably but because we realized from the beginning that what the Prime Minister was proposing was a policy of freezing wages with no intention of freezing prices, profits, or the incomes of self-employed people.

However, the people of Canada are concerned about the problem of inflation and about the rapid increase in the cost of living. People from all the various sectors of the economy and from all parties expressed general support for an incomes policy. The NDP premier of my province, Mr. Schreyer, expressed general support for an incomes policy. We have had close to six weeks of twisting, turning, and evading the most simple questions on the part of the Prime Minister and the Minister of Finance (Mr. Macdonald), so much so that when he held his press conference on Friday the premier of Manitoba was no longer saying he supported the government's program, or even an amended program which might be proposed by the government. The premier of Manitoba said on Friday that he was coming here tomorrow with 150 questions he wanted answered before he could say whether he would support this program.

We have said that we know this program and these proposals will not work. It is obvious that the government is really saying to the people of Canada, "Do as the government says and not as it does." If we consider the policies and the actions of the government in the last three, four or five months, there is not the slightest indication that it has any intention of showing restraint for itself, its civil servants, its friends, or its supporters at all. Let me remind hon. members that as of September 4 of this year, just five weeks before the Prime Minister announced his program, the government approved increases for the top 1,100 senior public servants of between $2,000 and $6,000 per year retroactive to April 1 of this year, including 350 at level 2, and 140 the next highest group who will get an increase of anywhere from $2,000 to $6,500. So we can see that there is certainly no restraint for senior civil servants working for the Government of Canada.

The Finance Committee had the honour and the privilege of hearing the Governor of the Bank of Canada, and he gave us a lecture about the need for restraint. One can

take a five minute walk from here and see a brand new, large and very fancy office building going up.

Mr. Rodriguez: $35 million.

Mr. Orlikow: My colleague, the hon. member for Nickel Belt (Mr. Rodriguez), says $35 million. Who is going to use that building? The Bank of Canada. There is not very much restraint there. I would bet that the Governor of the Bank of Canada has an office almost as large as this chamber. There is no restraint for him. One can go across the river and see the beginnings of another government complex. Let me read from an editorial which appeared in the Winnipeg *Tribune* yesterday. The *Tribune* is certainly no friend of the NDP.

Some hon. Members: Oh, oh!

Mr. Orlikow: Just listen a few minutes, and then get up and speak. The editorial reads in part:

> Some time ago, the federal government had its eye on a one-block area in downtown Hull, but was outbid for the property when a private development firm offered more than the government thought the land was worth. The successful bidder, the Campeau Corporation, plans to start construction next year on a complex containing two or three office towers of between 18 and 27 stories.
>
> One of the several curious aspects of this project is that the office space is to be used by the federal government and will provide room for 5,000 civil servants . . . The government will lease space for $14 million a year on a 35-year contract, after which it will have an option to buy the building for between $50 and $60 million. That's $490 million in rent, topped off by the purchase price.

Who is Campeau Corporation? I think it is not without some significance that one of the directors who just resigned about two weeks ago was the same Senator Giguère who was involved in that somewhat shady deal at the airport in Montreal.

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

Mr. Orlikow: It may just be a coincidence, but these coincidences happen too often to be accepted as coincidence when we have a Liberal government.

Just yesterday that so-called friend of the working man, the Postmaster General (Mr. Mackasey), was lecturing the working people of Canada and saying that they were unpatriotic and un-Canadian—shades of Senator McCarthy of the United States. Why? Is it because workers were saying that with this type of inflation they are entitled to a decent increase in their wages? It may be that they are asking too much. If they are, they deserve to be chastised, but where was that so-called friend of labour, the Postmaster General, during the last few years?

In 1972 corporate profits increased by 21 per cent over 1971. In 1973 corporate profits increased by 35.7 per cent over the same period in 1972. In 1974 they increased by 33 per cent over 1973. I challenge the Postmaster General or anyone else opposite to show me a single group of workers in this country which was able to obtain wage increases in those ranges, or even half those ranges. Where was the Postmaster General? He was conspicuously silent in those years.

● (2050)

[Mr. Orlikow.]

An hon. member of the Conservative party criticized the hon. member for Nickel Belt for saying certain things about International Nickel and Falconbridge. The former Liberal cabinet minister, Mr. Eric Kierans, published an article in the Regina *Leader Post* of August 9, 1974, in which he said:

> Inco's profits after taxes in 1972 were $110 million and in 1973, $227 million. This year—

Meaning 1974.

> —they will exceed $300 million after taxes. Is this being taxed to death?
>
> Noranda's profits after taxes in 1972 were $64 million; in 1973, $121 million. This year, they will approach $200 million after taxes. Is this being taxed to death?

In light of these profits, is it any wonder Canadian workers are now asking for large wage increases, increases the Prime Minister and others say are too high?

Experience tells us one thing: those whose income consists entirely of wages or salaries cannot avoid paying the government every cent of income tax they owe. Revenue Canada insists on collecting. Can we say the same about corporations? Not likely, Mr. Speaker. According to the *Globe and Mail* of October 31, 1975, James Gourley, Director General of Audit for Revenue Canada said:

> . . . some of the multinationals use their intricate corporate structures to minimize the taxes they pay.

The *Globe and Mail* reported that:

> He said he had no idea how much Revenue Canada is losing through tax avoidance by multinational corporations. He guessed that missing revenue from all sources—including multinationals—might be 10 per cent of total revenue.

I note the former minister of national revenue sitting in the House. I continue quoting:

> . . . it is difficult for Canadian tax officials to decide whether the costs being charged by subsidiary companies in Canada are fair or are being inflated to boost costs and lower taxes.
>
> A subsidiary in Canada may be supplied with products or services by its parent in another country. The subsidiary would write off those costs against its profit.
>
> But, Mr. Basford said, when tax officials try to find out whether the parent is charging a fair price they may be told that the subsidiary has 'no access to pricing information concerning sales of their foreign sister corporation.'

Is it any wonder ordinary people cannot accept the government's program which attempts to control wages and salaries but not prices and profits?

Any who wonder what the program will do should read the report of the speech made by the Minister of Industry, Trade and Commerce (Mr. Jamieson) in Calgary. The *Globe and Mail* of October 30 carried the following report:

> Federal guidelines on corporate profits may contain provisions to ignore excess profits if they are re-invested in capital facilities to increase production within a company, Industry, Trade and Commerce minister Donald Jamieson has indicated.
>
> Alternatively, a company could be given assurances that current excess profits may be used to offset future losses . . .

I have never heard it suggested that if working men received lower increases than they anticipated, or increases limited to 10 per cent or less, they can make up their losses at a later time. It is not surprising that ordinary citizens are questioning this program. Their doubts must be reinforced when they note the makeup of the

Anti-Inflation Board, that so-called quasi-judicial, impartial board which is supposed to protect the interests of all Canadians. What are people to think when they see the sort of speech made by Mr. L. J. Biddell, as reported in the *Globe and Mail* of November 19, 1975? He said:

> The regulations are likely to be too restrictive and inflexible . . .

On whose behalf was he speaking? Certainly he did not speak for ordinary workers. The report continues:

> The white paper guidelines will require the businessman to suppress almost every one of his natural entrepreneurial drives . . .
>
> The program's effect on wage and salary earners will not be severe, he said. 'I think they will get along quite well.'

Naturally he would say that. If he ever was a wage or salary earner, it was a long time ago. Today he is part of the corporate set-up which runs the country. Naturally he will not worry about the ordinary working man. He worries about the corporations. Neither will the chairman of the Anti-Inflation Board worry about the working man. He really has a tough time, with a salary of over $1,000 a week. When he leaves the board he can go back to what he has done so successfully, that is, looking after his big business corporate clients. In the circumstances I suggest that our fears about the effectiveness of this program are well founded. Our fears began on October 14, and all that has happened since then has merely reinforced our fears.

We have repeatedly asked the Minister of Finance what are the reasons for this proposal, as never before in the last 100 years, with the exclusion of wartime, has the government attempted this kind of interference in the lives of ordinary Canadians. We know that the inflation rate last year was 10.5 per cent, but what do government economists or experts predict for next year? We have asked such questions repeatedly. What will be the inflation rate? Will it be 25 per cent, as in Great Britain, or 200 per cent, as in Argentina? The question affects all Canadians. The people are ready to make sacrifices and restrain their demands, if the situation is really bad. But we want to know how bad the situation is. What do the minister's experts say? To our questions the minister has repeatedly answered that he is not in the business of forecasting and guessing, and cannot tell us.

Mr. Benjamin: He is in the business of governing.

Mr. Orlikow: We live in a democratic society and, fortunately, some experts and economists work for organizations other than the government. We were able to get forecasts from a reliable source. This evening I want to put on record forecasts made by a group of experts who are part of a non-political, academic organization with an extremely high standing among economists in this country, the University of Toronto Institute of Quantitative Analysis. We asked some people who have worked with that organization to ask its members, "What are your estimates? You have a model of the economy and access to computers. What do you estimate will be the rate of inflation next year? What would inflation have been if the government had not implemented this wage and price control program? What would inflation be next year without the program, and what would it be with the program?"

● (2100)

This past year the inflation rate was 10½ per cent. What would it have been without the controls? It would not have been the 25 per cent about which I speculated or the 200 per cent which they had in the Argentine. Without controls, according to the Institute of Quantitative Analysis, it would have been 11.3 per cent. In other words, it would not have gone up even 1 per cent more than it was this past year.

What will the rate be with the controls? Will inflation be cut by 3 per cent or 5 per cent? In other words, will it be worth all the effort? There is bad news again. The University of Toronto Institute of Quantitative Analysis estimates that in 1976 with the controls, and this is assuming full compliance even though they say there is only a 50/50 chance, the rate of inflation would only be cut to 9.6 per cent. In other words there will be a reduction in inflation of less than 1 per cent.

We know from the late but not lamented days of John Young that the government's programs of restraint usually bring more unemployment. We asked about unemployment. What did the Institute of Quantitative Analysis say? We know that we have had a rate of unemployment of around 7 per cent for the past six months. They say that without controls the unemployment rate for 1976 would be 6.9 per cent and, with controls, 7.1 per cent. Another group predicts over 9 per cent.

Russell Bell, who is a good enough economist to have held a senior position with the Economic Council of Canada before he went to work with the Canadian Labour Congress, estimates that unemployment will increase by at least a full percentage point over what it has been this year. And we are going to have a very little decrease in the rate of inflation. There will probably be another 100,000 unemployed.

By the time the Prime Minister completes his ten years in office in 1978, the rate of unemployment in this country will have increased by about 150 per cent. That is not a record of which any Prime Minister can be proud. It is a record which the members of this party have no intention of supporting. We intend to oppose this bill as we have from the beginning. I say to the Minister of Finance that our opposition to this bill will be very much strengthened, and our questions much more pointed, after he completes his meetings with the provincial ministers of finance in the next couple of days.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the country is watching with great interest the positions being taken with regard to this bill. People are probably confused, but hopeful. Most people were pleased to hear the Prime Minister (Mr. Trudeau) state over television that something was going to be done, because there is nothing worse than inactivity. The activity suggested that at least there would be some interest.

Mr. Woolliams: Not all the time.

Mr. Peters: There was some desire for this kind of activity. This has been the result.

Mr. Nystrom: You woke up Eldon.

Mr. Peters: I never like to do that. When that happens, it produces all kinds of results.

Whether the anti-inflation legislation before us is successful will to a large extent depend on two major factors. The first is the ability of the average person to maintain his position with the increasing cost of living. Second will be the quality that will be established by those who have to participate.

In comparison to 20 years ago, the number of people supporting the government in making it possible to provide benefits to all Canadians through government assistance and direction is becoming less and less. The amount they have to pay is increasing proportionately with the demands that society is making.

One segment of our population is in the organized labour field, the salary field and allied fields. They pay the bulk of the income tax. There are two other segments that are dependent upon the government to a great extent for their ability to exist in relation to and in conjunction with that group that pays the taxes, those who are fully employed. These people are the poor of this nation. In many cases they work at the minimum wage.

We often hear complaints about those who are working and paying the largest share of taxes in this country. They are always accused of not pulling their load. But those who are fully employed often earn less than those receiving unemployment insurance. When the minimum wage across the country is less than that paid in unemployment insurance benefits, obviously some change must be made. This is one field the government will have to consider if the anti-inflation legislation is going to work.

The government has said that the minimum increase will be $840 and the maximum $2,400. Those receiving the minimum wage will not receive the $840. They will need it, but they will not get it. Controls are being put on those who previously made it possible to pay for the cost of living increases made necessary by inflation. We are now curtailing that by saying they cannot work.

My colleagues have to a large extent documented the ways and means to escape for the top segment of our economy, the corporations, persons in industry, and others who will not be subject to the controls. They will be able to cook the books and will not really be penalized in any way by this legislation. I feel sorry for some of them. I understand that last year International Nickel paid less income tax than I did. They have a multi-billion dollar enterprise so it is stretching a point to think that they can be hurt.

● (2110)

One large segment of our economy is closed down 60 per cent in a strike which they precipitated. Sixty per cent of the pulp and paper industry is closed, but there is a year's supply of pulp sitting in yards in Canada because the price went down and the companies decided to hold out. They did not need their workers so they did not negotiate with them. In answer to a question today the Minister of Industry, Trade and Commerce (Mr. Jamieson) indicated that this is one of the factors that has had a secondary effect on the unemployment level in the forest industry which is not directly related to the problem.

[Mr. Nystrom.]

We are not doing anything about the bottom level. We are not raising it to the minimum that we said would be allowed, because we really do not control that. We would have to get an agreement with the provinces in order to do that, and I understand there is very little agreement with them on the anti-inflation legislation. We are not doing anything about the top either—all we have done anything about is the middle.

In the last few years organized labour has been able to play a role quite successfully in the so-called free enterprise system. People in organized labour have been able to maintain their position, and have received a COLA clause in many cases. There is no doubt that this has cost money, but they have been able to maintain their standard of living despite the fact that food costs, energy, rent and housing have gone up rapidly. Now they are told they will not be able to get a raise beyond the guidelines of 8 per cent and 2 per cent, and that is below the cost of living increase last year. Their COLA clauses will give them that much. I guess we are saying that they are no longer going to have the money to pay the taxes, so there is going to be increased unemployment.

The government has done absolutely nothing about getting into the tax structure at the top level, where companies are not making any contribution to our economy and, without a doubt, are the biggest welfare bums the world has ever known. We noticed this last night in a statement submitted by the oil companies on their expectations and what they would need if they were going to participate in the development of new oil reserves. They indicated their profit structure on their gross had to be 8 per cent to 20 per cent to allow them enough profit to convince their shareholders that they should plough some of the money back into exploration. We are not doing anything to get that kind of money out of the top structure in the nation, nor are we doing anything to provide equality in our structure, which is what this party has always been in favour of, Madam Speaker.

One of my colleagues has presented an amusing amendment asking for a reduction in the government's proposition of 50 opposition members being required to ask for a review during the months of April, May or June in 1977. He proposed the number should be reduced to 20. I find this amusing because this party does not have 20 members. If we were going to do it on the basis of simple politics it would be logical to reduce it to 15 or 10. But we are a very broadminded and generous party, Madam Speaker. The motion says 20, and I hope members will see fit to support that rather than the 50. I will vote against it anyway even if the change is made, Madam Speaker. I will vote against the bill, so it is really of no consequence.

But the review might serve some purpose and it behooves the minister to provide for that review in 1977, without these games. By then the government will either be able to curtail labour costs to a point where it will have balanced the cost of living on the backs of the organized workers, or it will have caused so much unemployment that we will be embarked on a totally different operation. I think if the minister made an effort to provide this mechanism he would probably get more kudos than he would out of offering it to the official opposition or, if the amendment were carried, offering it to 20 members of the House.

The necessary motion could not be moved by either party at this end of the House, of course; it would take a combination of this party and my friend to the left, or a number of others.

If you ask the average Canadian today what caused inflation I think he would tell you—credit. Credit is really a major problem. It is much too easy to get credit. In the past when governments wanted to slow down the economy they made an effort to do something about credit. But we have built into this nation the credit card syndrome and it has been accepted as a way of life.

It does not matter how much interest is involved. It does not matter how much a car costs, whether we need it or not. As our folk singer says on the consumer program, we run out and buy bargains with "money we ain't got". That is one of the problems we have in this country. The Minister of Finance (Mr. Macdonald) should look at the way we handle credit. I am pleased to see that some government economists are saying stores should not go into the food business selling on credit. If consumers did I think we would eat our way to death rather than driving into it.

The minister should also look at interest rates. If you buy an automobile on credit with the lowest down payment possible, you will probably find when you pay the car off in 48 months that you have paid as much interest on the car as the actual cost of the car. And the car was over priced in the first place—probably inflated to double its worth. Yet that is doubled again with the interest, and the minister has not done much about that.

● (2120)

There are certain fundamental things that must be done, and no one in this House disagrees that we should do something about inflation. We have said so on previous occasions, but we are well aware of the previous occasion when the Liberal government tried to do something about inflation; it created an immense amount of unemployment and then it came out and said that inflation was licked. It did not take very long for everyone to find out that inflation had not been touched and that we had better do something about employment or we would find ourselves in a position where we could not support our people.

I suggest the government, might have done better to accept holus bolus the Conservative idea. If it had taken off the limit and put on price and wage controls, I think people might have supported that. I think we might have been able to live with that. But when it only controls wages and salaries and does nothing about prices in the store, the prices people are interested in, the price of a can of beans, the price of milk, the price of eggs, the prices of other commodities, we must be very naive if we think the working man is not going to continue to fight for his way of handling inflation, the same way as free enterprise and big business use—they raise their price and somebody has to pay.

There are two classes which are particularly heavy consumers. They are the farmers, the highest consumers per capita and, second, the working people. The wage-earner is the highest taxpayer in the nation. Every time we ask the government to raise the personal exemption we are told what a terrific blow it would be to the tax structure even if the exemption were raised by only $100 or $200. Yet we give away millions of dollars at the top end.

To the class which has been making such a large tax contribution, we have said. "Far from being able to keep up with the cost of living, you cannot expect more than a set amount". This has meant, because of the confusion, that with respect to most of the strikes that have taken place prior to the introduction of this legislation very few of them have been settled. The board is not willing to give permits saying "You have the historical right to a larger wage increase than the board recommends as general." The board has not been willing to do this, so most of the unions and most of the companies will not bring these strikes to a conclusion and the responsibility, in my opinion, rests squarely upon the government.

I know that in my own area a number of strikes would have been settled had this been done. The individual company agrees it should settle, knowing the terms have to be in keeping with wages paid to its competitors or it would not have any employees. It is willing to make a settlement. The union is willing to settle. But the company and the union agree they can only do so if they have permission.

I would like the government to accept the "20" amendment, and then I would like the opportunity to vote against the whole structure.

Mr. Leonard C. Jones (Moncton): Madam Speaker, Bill C-73 is another example of arbitrary and dictatorial types of legislation interfering with the rights and freedoms of Canadians. Although the guidelines purport to be on a selective basis, the legislation is broad enough to extend to each and every citizen, either directly or indirectly.

The proposals set out in the legislation and the guidelines are in no way likely to halt inflation or even to alleviate inflation. They will cause greater inflation. It is another attempt to grind the middle class worker and small businessmen between excessively high taxes and inflation, and along with increased unemployment it will bring about greater bureaucracy and a greater dictatorship.

There are palatable alternatives to wage controls and price controls. One is to reduce government waste and unnecessary spending programs. Industry is successful when it is productive and efficient. The same philosophy should be followed in the business of government operations.

I have already suggested in previous debates ways in which the government can show restraint and thus reduce inflation, and I do not intend to list them again tonight. There are other items which could legitimately be used to halt inflation. They were not used. The government seems instead to be bent on obtaining absolute control of all fields of endeavour. This is dangerous, and I fear that if this legislation goes through our children will suffer for many, many years to come.

If the government is not prepared to clean house here in Ottawa and reduce ridiculous and wasteful programs, duplication, and overlapping, it is absurd to enforce controls of any kind on any Canadian.

The question of wage and price controls was one of the issues in the 1974 election. No member of parliament, no party in this House, has any right or any mandate from the

nation to support the type of legislation contained in Bill C-73, and in the guidelines and controls contained therein. The people wanted alternatives, a reduction of government waste, not an increase in government controls.

The legislation before us, Madam Speaker, really commits a grave offence against the democratic system and traditions of this nation the consequences of which will be eternal. The legislation and the guidelines were announced and ordered by the Prime Minister (Mr. Trudeau), not by approval of parliament, not by a vote of the people but by television edict. This type of order is in itself dangerous, and if it continues our nation is headed in a very dangerous direction, a collision course with the political death of democracy, the death of government of the people, for the people and by the people.

In no way can I support this legislation because it interferes with the rights and the liberties of individuals. I do not favour controls over prices or wages. There are alternatives, and the government ought to get off its backside and follow decent suggestions.

● (2130)

The Acting Speaker (Mrs. Morin): Is the House ready for the question on motion No. 3?

Some hon. Members: Question.

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

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75 the recorded division stands deferred.

All those in favour of motion No. 4 will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75 the recorded division stands deferred.

All those in favour of the amendment to motion No. 5 will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

Some hon. Members: Oh, oh!

The Acting Speaker (Mrs. Morin): There were not five members who rose from their seats, so the amendment has been negatived.

Mr. Nystrom: On a point of order, Madam Speaker, and with respect, I believe there were well over five of us standing.

The Acting Speaker (Mrs. Morin): When I called for the members to rise I saw only three, perhaps four.

Mr. Rodriguez: There were many more than that.

Mr. Blais: On the point of order, Madam Speaker, I distinctly saw more than five members of that party get up on the amendment. Could the question be put once more?

The Acting Speaker (Mrs. Morin): That can only be done with unanimous consent.

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75 the recorded division stands deferred.

The question is now on motion No. 5. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the yeas have it. I declare the motion carried.

An hon. Member: How can you do that?

Hon. Donald S. Macdonald (Minister of Finance) moved:

Motion No. 6

That Bill C-73, an act to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be amended by adding immediately after Clause 46 at page 33, the following Clause:

Transitional "47. The expiration of this Act pursuant to section 46 does not affect any inquiry, investigation, examination, audit, search or proceeding, whether before the Appeal Tribunal or any court of law, that was instituted before the expiration of this Act or that arises out of any other such inquiry, investigation, examination, audit, search or proceeding that was instituted before the expiration of this Act and for the purpose of carrying out or completing all such inquiries, investigations, examinations, audits, searches and proceedings, the Chairman and other members of the Anti-Inflation Board, the Administrator and the Chairman and other members of the Anti-Inflation Appeal Tribunal who hold office on the day immediately preceding the day on which this Act expires continue in office and may exercise the powers and perform the duties and functions of the Anti-Inflation Board, the Administrator and the Anti-Inflation Appeal Tribunal respectively.".

He said: Madam Speaker, the purpose of the amendment for which a royal recommendation has been sought, and which is included at page 10 of the order paper for today, is to make certain that if there be investigations under way, or indeed further action by way of prosecution which has been carried on pursuant to the statute when it becomes law, it will then be possible for those investigations, proceedings or acts of litigation to be carried through to a finish, notwithstanding the fact that the proceedings may themselves have been brought to an end. If there is some prospect toward the end of the period of the law being brought to an end that some persons would decide not to comply in the hope of being able to evade legal sanction, this motion is to make certain that, notwithstanding a proclamation by the governor in council that it ceased to be in effect for general application, any outstanding proceedings may be carried through to a conclusion.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I find this type of recommendation to be a real limper. In saying that I do not want to be overly critical, but may I point out that Mr. Speaker has ruled that clause 46 is deficient. When a proposed clause is contained within the terms of a recommendation, and therefore forms part of that recommendation, what sort of limper have we? Section 46, referred to in the recommendation, has already been ruled by the Chair to be deficient. Frankly, this motion is leaning on a broken crutch. Section 46 is dead until we make a change. Yet this motion is providing that when the act comes to an end, pursuant to a clause that does not exist certain things will flow.

With great respect, the government House leader and others who are concerned with this matter must look into the methods of drafting recommendations and the question of who is making them. Who is making them? Are there really conflicts of interest between those people who prepare these motions without the advice of the law officers of the Crown? I must say I was surprised earlier today when I found that it seemed the legislation came forward straight from the department somehow and bypassed the government House leader.

● (2140)

What worries me is to think that within the last 12 months there have been four occasions on which I have raised these points. I have been correct on three of them. I must say that the first motion was not as strong a case as the other three, but I think a 75 per cent batting average within a year in calling the attention of the House to these deficiencies is not bad. I do not particularly care to be on my feet making this type of, shall we say, criticism. It is much like quibbling. However, the House must operate on the basis of its rules. We must be legal and do what we should do. It seems to me on the note I have raised I should make this proposition.

First we should look into the matter of the proposals with regard to recommendations on major bills. Years ago when I came here the recommendation was a very general one. There were never any problems. Then somewhere along the line someone decided it was necessary to dot the i's and cross the t's, so that if there was a little inconsistency in the complicated wording out would go the recommendation. The minister at that time was placed in an embarrassing position. I remember the affair in respect of the income tax changes in 1971. It does not make sense for parliament to operate in that way. I realize what they are trying to do.

I think I will draw the line here and just say that we should not proceed with further debate on this particular motion until it is regularized. On that basis I suggest that the House call it ten o'clock, and retire to repair the damage.

Mr. Sharp: Madam Speaker, may I make a rather different suggestion? First, may I say I find myself somewhat in sympathy with the hon. member for Edmonton West (Mr. Lambert). We have been having some discussions among the House leaders which I think will resolve the particular difficulty we face at the moment.

I do not think we should proceed with the discussion on this particular motion until we have clarified the position in respect of the bill by an amended recommendation. It is my understanding there would be unanimous agreement for the substitution to be made of a recommendation that would be in order, and upon which the bill could be firmly based. May I suggest that we adjourn this debate, and proceed to Bill C-61 which was previously under discussion?

The Acting Speaker (Mrs. Morin): Is it agreed that we adjourn the discussion on this legislation and proceed to Bill C-61?

Mr. Munro (Esquimalt-Saanich): On a point of order, Madam Speaker, may I say that having had the floor on Bill C-61, and having been interrupted once already, I would prefer to call it ten o'clock.

Mr. Sharp: Madam Speaker, I thought the hon. gentleman might welcome the opportunity to have the floor at the moment. I was very much interested in the comments of his colleague and thought the hon. gentleman might like to conclude his remarks this evening. However, I have no objection, Madam Speaker, if you see the clock at ten o'clock.

The Acting Speaker (Mrs. Morin): Is it agreed that we call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDING ON ADJOURNMENT MOTION

[*English*]

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

TRADE—REQUEST FOR REDUCTION IN CHEESE IMPORT QUOTAS

Mr. John Wise (Elgin): Madam Speaker, in view of the fact that it is ten minutes to ten o'clock I hope I might be allowed a minute or two if I exceed the allotted time.

An hon. Member: No way!

Mr. Wise: In view of the very limited time at my disposal tonight I want to re-emphasize the need for a reduction in Canada's present import quotas on cheese. On November 18, as recorded at page 9189 of *Hansard*, I directed a question to the Minister of Industry, Trade and Commerce (Mr. Jamieson) on this matter. I think it is fair and accurate tonight to state that it gained considerable support among many hon. members, particularly from this side of the House. The minister's reply provided a slight glimmer of hope, but in view of the recent concerns expressed by the dairy industry people, which I share, I felt a sincere desire to explore this issue and raise a couple of other rather interesting matters tonight particularly relating to the ever-increasing difficulties being experienced by Canadian dairy producers and the government inaction in reducing the quotas for imported cheese.

Indeed, we have heard reports from the Department of Agriculture that it at least is considering an increase in respect of this particular quota. I should like to draw attention to page three of the statement by the Minister of Agriculture (Mr. Whelan) on November 4 in which he indicated that imports will be allowed to increase gradually over the next several years until they reach not less than the equivalent of 10 per cent of manufactured products. The current import quota of 50 million pounds represents 5 per cent of the total Canadian consumption of manufactured dairy products. The size of next year's dairy quota will be established shortly.

Let me make it abundantly clear at the outset that such an action on the part of the government would be intolerable. Not only would it severely hamper the cheese production industry but it would serve an extremely severe blow to the dairy industry as a whole.

I want to note that the dairy industry can be found in every province. In fact 70 per cent of the farms reporting as commercial farms in the province of Quebec are commercial dairy farms. About 30 per cent in the province of Ontario, and about 22 per cent of all farms registered in Canada are commercial dairy farms.

What kind of a case can the government make for its own inaction with regard to this most serious problem? Clearly the only responsible response is a reduction of the present 50 million pound quota, a quota which was arrived at after some fancy government arithmetic that failed to take into account the relevant facts and figures that were and are available.

Importation of cheese has risen drastically from 31 million pounds in 1970 to 50 million pounds in 1975. In arriving at the present quota the department has ignored the traditional method of calculation that is based on a five-year average. Calculated in this manner we would have a quota of 38 million pounds, a limit much more in tune with the needs of Canadian producers.

To compound the difficulties further, we are faced with accepting a quota that is based on import statistics which are uncharacteristically high due to the fact, I have been advised, that the authorities concerned failed to prevent a substantial amount of illegal cheese from entering this country. An example of this is "Podolski", a Polish cheese somewhat similar to our own cheddar. This cheese has, in effect, been dumped into Canada, most of it being processed illegally, during 1974, because it became impossible for the authorities to police. The processing rule has since been dropped and this cheese is now legal. This does not alter the fact that the 1974 totals for cheese imports still take this cheese into account despite the fact it was illegal at the time. Had this cheese been kept out of Canada at the time, as it should have been, the 1974 quota would not have been so high. It is nothing short of ridiculous to set quotas arrived at in this manner.

● (2150)

The abnormalities, however, do not end here, Mr. Speaker. Another case in point involves cheese believed to be East German which is being trans-shipped via West Germany, and is once again being effectively dumped into Canada. It has not been proven, I admit, that the source of this cheese is East German, although it is highly suspected. We do know that it is not from West Germany though, so something is undoubtedly amiss. There is no way that West Germany could sell cheap cheese at 56 cents a pound when Common Market support prices are close to $1.

Yet another factor which discredits the use of 1974 levels as standard is the fact that more cheese than would have usually been considered normal was imported that year due to a shortage of Canadian milk in that particular year.

We are told from an excellent authority, by George McLaughlin, chairman of the Ontario Milk Marketing Board, that we will have sufficient production in Canada next year to satisfy Canada's requirement for dairy products including most of that portion of the cheese market which the government has already given away to other countries. If the cheese import quota is increased rather than decreased, it will throw milk from Canadian producers into powder and butter at a very high cost to producers in export levies, instead of allowing that milk to go to cheese production at no increased cost to anyone. Also, it will be a portion of the domestic market that will be forever lost to Canadian milk producers.

If, on the other hand, the cheese quota could be reduced to 40 million pounds from 50 million pounds per year,

which would be more in line with traditional imports in the 1970-1974 period, skim milk production in the next dairy year would be reduced by approximately 9 million pounds. This would represent a saving to milk producers of close to $3.6 million at current world market prices. More simply stated, every million pounds of cheese imports results in a loss to Canadian producers of approximately $360,000.

An increase in the quota on cheese imports, indeed the lact of a decrease may well result in what some sources describe as a riot within the dairy industry with many producers simply shutting up shop altogether. The inevitable result of this, of course, would be an increase in the amount of imported milk, butter, cheese, etc., to a level from which we could never return.

The very future of the Canadian dairy industry may well rest on the broad shoulders of the Minister of Industry, Trade and Commerce, for his decision as to cheese import quotas is going to have far reaching effects within the whole industry, and should he fail to move in the right direction, he will no doubt pay a price for which he will certainly be sorry. The minister is aware of the fact that the dairy industry is to undergo a re-adjustment in April. Milk production in the first half of the year at least increased 11 per cent—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member's time has expired.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Madam Speaker, I would like first of all to congratulate the hon. member for raising this very important question, even though I do not agree with all the statistics he quoted. Let me quote some other official statistics.

In the ten year period, 1963 to 1972, Canada's exports of cheddar cheese to the United Kingdom averaged about 28 million pounds per year. With the entry of Britain into the European Economic Community, exports of cheddar cheese have steadily declined due to the high EEC import levy, and only amounted to about 6 million pounds in 1973 and 3 million pounds in 1974.

In March of this year special access arrangements were concluded with the EEC which provide for a fixed levy on Canadian aged cheddar cheese of only 15 units of account per 100 kilograms, or about 8½ cents per pound. No levy applies to our aged cheddar cheese in the United Kingdom at present, and the full levy of 15 UA does not come into effect until January 1, 1978.

Under the new terms of access, only cheddar cheese that has been aged for nine months qualifies for these special access terms. Exports of cheddar cheese have been slow due to the requirements that the cheese must be aged for nine months in Canada prior to export.

The Department of Industry, Trade and Commerce recently sponsored a study team to the United Kingdom and EEC countries in order to determine the most sound and appropriate manner to re-introduce Canadian aged cheddar cheese to these markets. This five member team consisted of a representative from the Department of Industry, Trade and Commerce, the Canadian Dairy Commission, and three industry representatives. The members have just returned and their report should be available in early 1976.

[*Translation*]

During the same period, imports of various cheeses have increased from 15 million pounds in 1963 to 48 million pounds in 1974.

On June 6, 1975, a global importation quota has been set on all kinds of cheese. This quota has been set at 50 million pounds for 1975, an increase of 2 million pounds over 1974.

This quota has been established—

The Acting Speaker (Mrs. Morin): Order, please. The time allotted to the hon. member is now expired.

[*English*]

AIRPORTS—MIRABEL—REQUEST FOR TABLING OF DATA ON WHICH SKY SHOPS AWARDED FRANCHISE

Mr. Elmer M. MacKay (Central Nova): Madam Speaker, in pursuing this adjournment debate I would like to say I am sure the Minister of Transport (Mr. Lang) is aware that there are serious flaws in the way that tenders are being arranged and contracts being met within his department. The question is, how did Sky Shops win the bid at Mirabel, and we must look into the background.

I would assume that the minister is trying, if only for the sake of intellectual stimulation, to ascertain what prompted Mr. Peter Thomson to take such an extraordinary interest in purchasing Sky Shops. Either Thomson, through one of his subsidiary companies, P. Lawson Travel Limited, had some truly personal reason for wanting to obtain Sky Shops, much in the same way as a collector of antique automobiles will pay an outrageous price for a vehicle simply to complete his collection, or Mr. Thomson knew very well that Sky Shops had an enormous potential over and above its apparent operational value or worth at the time he purchased it. The question is, was part of the potential, or consideration, a franchise at Mirabel?

Late in December of 1971 when Peter Thomson, in a hand delivered letter, wrote to Gordon Brown, one of the executives of Sky Shops, and outlined his offer, it is obvious that the price per share of Sky Shops at that time worked out to less than $17. A few months later Mr. Thomson was prepared to pay several dollars per share more, despite the fact that in the interim the treasury of the company had been pretty well depleted by the payment of nearly $4 per share in dividends.

Whether one decides to measure the value of a company by share earnings as a ratio to price, or calculate the net worth of the company by subtracting the liabilities from the assets and dividing by the number of shares, one surely does not come up with a figure of $20 per share a few months after one offer of approximately $16.75 per share—taking into account the dividend payment which I already mentioned.

In addition, the renegotiation of the lease of Sky Shops substantially reduced the income available to the company and, as Mr. Thomson noted, his calculations as set out in his offer were optimistic due to the scheduled removal of all international flights in 1975 and the probable winding

up of the operations at Dorval before the end of 1979. These are documented in his offer.

Therefore we have a situation where Mr. Thomson personally took the time to work on the acquisition of Sky Shops although he said in his letter "I have not done anything like this personally in a long time". He did this extraordinary thing, to buy what would appear to be a lame duck company in a lame duck airport at a highly inflated price, a company whose directors have forced out the man who had expertise and experience and who built the company, Mr. Andy Anton.

● (2200)

I want the Minister of Transport to find out why bidding procedures for the duty free shop at Mirabel were so manifestly irregular. I should like to know, for example, why Host International was dismissed so peremptorily because it was, among other things, a U.S. controlled company, while other American controlled companies have been and are welcome in similar circumstances, as well they should be, if they can do a better job. If Host had a liquor licence problem it should have been advised immediately and its deposit returned or never accepted. General Aviation, a subsidiary of Hudson General Corporation of Great Neck, New York, is active at Mirabel, and a subsidiary of Allied Corporation was acceptable as a cleaning contractor at Mirabel, although it is controlled from New York. So much for the Canada first argument of Sky Shops or in favour of Sky Shops.

There is no way the Sky Shops bid, on the basis of logic, can be the best for revenue purposes, and I ask the minister to table the entire basis on which the bids were awarded, the calculations and so on. I also ask the minister not to forget about bids like Commercial Caterers Limited and K. S. Kohli who, I understand, sent a telegram to the minister to correct some errors he felt the minister made in assessing his position in a recent speech in this House. I shall quote from an executive of one of the bidders, and if the minister or one of his assistants is interested, I can supply a copy of the document from which I am quoting:

> If you wish to use the enclosed material without using our name, in view of possibility of further business connections with the present government, please do so. But if you find it absolutely necessary to divulge the source of your information I will not object.

Why are people so afraid to talk? We need an inquiry so they can testify freely. I hope the minister will co-operate in improving the way his department is being administered.

In the meantime I hope he will check carefully on another real problem, the de-icing capability at Mirabel. The tendering procedures there are very current and very irregular, and Air Canada and the Ministry of Transport are, as usual, involved in another weird scenario at taxpayers' expense.

In closing I should also like to suggest to the minister that bright and early tomorrow he read his copy of the Montreal *Gazette*, one of Canada's great newspapers.

Some hon. Members: Hear, hear!

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, I am pleased to be able to respond to my friend, the hon. member for Central Nova (Mr. MacKay), this evening. As I begin, let me say that I cannot and do not accept a great portion of the preamble in his remarks this evening. I do not deny that there have been issues raised of importance and of public interest, and I assure the hon. member that the government is clearly aware of its continuing responsibility in public administration, to use an old and somewhat hackneyed adage, to ensure that justice is done and is manifestly seen to be done.

[Mr. MacKay.]

I should like to remind the hon. member of the admonition offered in this House and elsewhere by the Minister of Transport (Mr. Lang) and others about certain concurrent responsibilities which clearly bear upon the opposition when it comes forward with allegations and accusations, and that is the responsibility which hon. members opposite must discharge, to be fair, precise and well-founded in what they say, and to be well researched and judicious in matters of this kind.

It is not good enough to deal in a speculative manner with suspicions, accusations and innuendos. It may be politically sensational, but it is not fair and responsible public conduct in the pursuit of justice. In my brief experience in this House I have generally been favourably impressed with the thoughtful approach of the hon. member for Central Nova. I share the disappointment of many of my colleagues in this chamber with respect to certain comments lately which I believe have been somewhat below his normal standards. I hope this is not an established trend for the future but merely an abberration which soon will be corrected.

To deal specifically and directly with his request in this discussion this evening, I shall refer to the comment addressed in this House by the minister in reply to the hon. member, recorded in *Hansard* at page 8947 on November 7, where the minister said that he would examine what material is available on this subject and determine whether the most suitable approach would be to table the requested documents or open a discussion in the standing committee.

I am pleased to be able to report to the hon. member tonight that the relevant data are presently being assembled, and the minister hopes to be in a position to table the information before the end of this week.

FINANCE—SUGGESTED WITHDRAWAL OF TAX CONCESSIONS TO FALCONBRIDGE NICKEL ON OPERATIONS IN NAMIBIA

Mr. John Rodriguez (Nickel Belt): Madam Speaker, on Friday, November 7, Falconbridge Nickel Mines announced that approximately 1,000 workers would be laid off by January 1, 1976. This does not include 1,000-odd workers employed by contractors at the Falconbridge properties in the Sudbury basin.

The reason given by the company for the lay-offs and for a cut of $50 million from its capital spending program was "the current greatly reduced demand for nickel in world markets and increased operating costs". It should be noted that a large chunk of the cut in spending came from the company's smelter environmental program, a program designed to increase the occupational health of the company's workers and residents of the Sudbury basin.

But since Falconbridge is finding it necessary to cut its capital spending and lay off hundreds of Canadian workers, someone might assume that the other major nickel company in the area would be having similar difficulties. But if you assumed that you would be wrong. The International Nickel Company of Canada has stated it has "no plans to cut production" in spite of any softness in the market.

The president of INCO, a Mr. J. E. Carter, said in New York that while this year's production by the company would be about 10 per cent below last year's, "on the long term basis, we continue to expect that over-all world growth in nickel production will continue to be about 6 per cent a year." He also pointed out that INCO was planning to increase its production in Canada. And even at this time, while Falconbridge is laying off those hundreds of workers, INCO in my constituency is offering its workers considerable amounts of overtime. Mr. Carter is even more optimistic about the prospect of nickel sales in the coming year when he notes that many of the customers for nickel will be making significant capital investments next year.

But even if INCO is not having difficulties, it is perhaps possible that Falconbridge is having difficulties. This might show up if we were to see that total nickel exports from Canada were down significantly, or perhaps if production in Falconbridge's plants in other countries is also down. But instead we discover that both nickel production and exports have decreased very little in Canada over the last year. And we also discover that production in Falconbridge's plants in Norway and the Dominican Republic is proceeding with no cutbacks.

The real reason for these cutbacks is, I suspect, not a soft world market. The reason instead is that the government of Ontario last year decided to remove tax provisions which permitted Falconbridge to write off any processing costs it encountered in overseas plants. So, faced with significant tax increases, which would have been used for the betterment of the host country, in this case Canada, the company decided to reduce production instead. This has two effects. First it permits the company simply to switch whatever production it can to cheaper locations. Business analysts have pointed out that Falconbridge is purchasing nickel from foreign sources for its refinery in Norway at rates cheaper than it can produce in Canada.

But aside from any savings in cost, the company has another reason to cut production here. The lay-off of hundreds of people is a form of blackmail against the Ontario government to force it to reduce taxes to the multinational corporation. Even business analysts admit that production cutbacks are an attempt to convince the Ontario government of "the severity of the Ontario tax climate".

So here we have a company that is trying to force a provincial government in Canada to reduce its taxes, and using Canadian workers as pawns to do it. Perhaps it would be useful to have a look at what Canadian taxes have done for this company.

Over the last 15 years Falconbridge and its subsidiaries have received millions of dollars from the Canadian taxpayers in the form of DREE grants, accelerated capital cost allowance programs, plus various other manpower and corporate assistance programs.

But as I have said before in this House, Falconbridge also receives another kind of tax assistance. Under section 126 of the Income Tax Act Falconbridge is permitted to claim a foreign tax credit for its operations in the illegal and racist administration of South Africa over Namibia. Falconbridge owns 75 per cent of Oamites Mining Company, Ltd. which extracts copper and silver from Namibia in Southwest Africa, using all the rotten racist labour conditions allowed by South African law, and for the taxes paid to the South African government Falconbridge gets a tax credit in Canada, a tax credit paid for by the working people of Canada who are being forced in this way to help support both the exploitation of the people of Namibia and the profit-taking of Falconbridge Nickel Mines Ltd. The other 25 per cent of that mining operation is owned by the Government of South Africa.

Falconbridge must have found it appealing to work under the kind of government in South Africa which is prepared to condone a vicious industrial system to increase corporate profits. Now it has found another country that is prepared to go far to make corporations happy. Falconbridge is considering a major investment in Chile, a country which is prepared to torture, murder, and take any other steps necessary to ensure a less severe climate for foreign investment.

When I raised the question of Falconbridge's actions in Namibia last spring and pointed out that its actions there were illegal under many decisions of the United Nations, the government had many platitudes about why it could do nothing not even to the extent of stopping the tax credits of money paid to the South African government.

● (2210)

The government spokesman said that it is a principle of the government not to interfere with Canadian companies abroad. The government said Falconbridge was operating in Namibia at its own risk, if high profits made from those kinds of labour practices can be said to be a risk. But now, when the provincial government has tried to get a fair tax return from the company, the company is showing just how Canadian it is by shifting its operations elsewhere. It is now taking steps in Canada which prove it is a multinational company far more concerned with profits than any loyalty it may have to Canada.

I call on the Minister of Finance (Mr. Macdonald) and the Canadian government to amend section 126 of the Income Tax Act of Canada to ensure that Falconbridge Nickel Mines Ltd. does not use that loophole to enrich itself from its Namibian operation at Canada's expense and that of the working class people of the Sudbury Basin.

[*Translation*]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Madam Speaker, I do not know exactly to what tax provisions the hon. member alluded when he spoke of "tax concessions" with regard to operations in Namibia. I should like to point out to him that our Income Tax Act provides nothing pertaining specifically to Namibia, nor have we signed any tax treaty with that country. The hon. member may have been alluding to the tax allowances provided in the case where income tax is paid to foreign governments, or again to the tax treatment

granted by Canada to dividends paid to companies residing in Canada.

When a Canadian resident has commercial operations abroad, through a branch office, for instance, the income derived from that source may be taxed by the foreign government concerned. Such income would also be subject to Canadian income tax. When the income is thus made liable to both foreign and Canadian income taxes, our legislation provides an allowance on the basis of the income tax paid a foreign government. This allowance is intended to minimize the possibility of double taxation. Those provisions on tax deductions apply to all income earned in foreign countries.

When operations are carried out abroad through a foreign affiliate instead of a sudsidiary the income they produce would normally come back to Canada in the form of dividends from the foreign affiliate.

At present, as has been the case for a long time indeed, the Canadian tax scheme provides that dividends received by a resident corporation of Canada from a foreign company in which it held a substantial percentage of votes—over 25 per cent—were exempt from Canadian income tax. That provision actually allowed the repatriation of gains made abroad without submitting them to Canadian income tax in addition to foreign income tax.

The tax reform included a major revision of the tax treatment of dividends from foreign corporations but until the new provisions become entirely applicable in 1976, dividends representing gains made abroad before 1976 may be earned by a Canadian corporation without being subject to Canadian income tax.

As of 1976 the tax-free repatriation of gains considered to be dividends from foreign corporations will be subject to a number of restrictions. One of the determining factors concerning the application of those restrictions will be the position of the particular country where the dividends come from, that is whether that country is one of those with which Canada signed an overall tax agreement. As I said already, Canada did not sign any agreement of this kind with Namibia. So, whatever might be the Canadian tax benefits to be drawn from dividends of another country that signed an agreement with Canada, those benefits will not be applicable to dividends coming from that country unless the agreement in question becomes effective.

The provision dealing with abatements for foreign taxes paid on income from a foreign source is not deemed, generally speaking, to be a tax concession in its nature. Abatements for foreign taxes are not unusual at all in the area of international taxation. In Canada, they have been an integral part of our tax system for many years.

The various modes of taxation provided under international tax agreements are not usely considered to be tax concessions either. Those agreements are the result of separate negotiations undertaken with each particular country with which an agreement is concluded, and they include what both countries arrived at under common agreement in the form of a compromise.

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 2 p.m. tomorrow.

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

HOUSE OF COMMONS

Wednesday, November 26, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

MULTICULTURALISM

REQUEST FOR STATEMENT ON PLANS FOR FUTURE PROGRAMS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity arises from the revelation today that the Minister of Labour (Mr. Munro) plans a drastic change in the government's multicultural program, which follows upon the elimination, following the 1974 general election, of a minister who was exclusively responsible for multicultural programs in the country.

I therefore move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House reject the program proposed by the Minister of Labour as reported in today's press and urge the minister to make a statement at the earliest possible time on the government's future plans for multicultural programming.

Mr. Speaker: Order, please. The motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

SUGGESTED COMMITTEE STUDY OF PAROLE SYSTEM—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important and urgent issue.

Since within the framework of our present judicial system the policemen are the first to carry the can as the result of paroles among which are noted many relapses and offences of all kinds and considering that we must protect those who maintain order and protect honest citizens and that they must have a say in the matter of parole, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the House should consider the matter immediately to enable the federal government to set up a committee responsible for paroles, whose membership would include in addition to the usual members, the police director of each provincial police force as well as representatives of the municipal and federal police forces, so that they may take part in the decisions to that effect.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

OLYMPIC GAMES

PROPOSED FEDERAL PARTICIPATION IN FINANCING—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion of vital importance.

Considering that, according to a study conducted by a McGill University economist, Mr. Ithon, $1 out of every $5 spent on the Olympic Games finds its way to the federal treasury under the guise of fiscal revenues;

Considering that all Canadians benefit from the publicity and international prestige afforded these games, that a deficit is now estimated at about $600 million which will be borne only by Montrealers and Quebecers in general, all of which will involve disastrous consequences for other projects that will have to be delayed, in particular public transport and the fight against pollution;

I move, seconded by the hon. member for Champlain (Mr. Matte):

That the Canadian government take a direct part in financing these games other than by the known means, such as the Olympic Lottery and the sale of Olympic stamps and coins.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

● (1410)

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

ALLEGATION CHAIRMAN MAY RESIGN—DATE OF TABLING OF ESTEY REPORT

Mr. Jack Murta (Lisgar): Mr. Speaker, I was hoping to direct my questions to the Minister of Transport. I am sorry he is not in the House today but I shall direct my questions to the Prime Minister instead. Is the Prime Minister in a position to confirm to the House persistent reports that the chairman of Air Canada is about to resign in the light of the most recent recurrences of travel agency difficulties?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Murta: Mr. Speaker, a supplementary question still concerning the controversy surrounding Air Canada. Can the Prime Minister inform the House whether the honourable Judge Estey submitted more than one report on the Air Canada inquiry to the government and if so, when will both reports be tabled in the House?

Mr. Trudeau: Mr. Speaker, my only knowledge is that Mr. Estey has finished his report and that it is in the process of being translated.

SUGGESTED REFERENCE OF 1976 ANNUAL REPORT AND 1975 CAPITAL BUDGET TO COMMITTEE

Mr. Jack Murta (Lisgar): A final supplementary, Mr. Speaker. I certainly hope that the government, and the Prime Minister especially, feel some of the frustration that opposition members feel with the very indefinite kind of answers we get because the report has been in the hands of the government for some time. Will the Prime Minister consult with his colleague the President of the Privy Council to put forward a government motion to refer the 1974 annual report and the 1975 capital budget of Air Canada to the Standing Committee on Transport and Communications? Will he do this immediately?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the first part of the question, I believe that the Minister of Transport received Judge Estey's report about 15 days ago. I understand that it was going to be several weeks in the translation and that the minister asked that this period be cut down. I am sure the hon. member is not arguing that we should break the law and regulations and table it only in one language. The report will therefore be tabled as soon as it is translated.

On the second part of the question, that has to do with committee business: if the committee makes a request I am sure it will be considered by all House leaders.

[Mr. Speaker.]

REASON FOR RECOMMENDATION OF ALOUETTE TRAVEL AGENCY BY COMPANY AND FAILURE TO CHECK BILLINGS BY TRAVEL AGENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary question for the Acting Minister of Transport. Can the acting minister say how it was possible for Air Canada to continue, responsibly, to approve or recommend to IATA the Alouette Travel Agency in Montreal associated, incidentally, with Captain Hill's company, when Alouette is owned by one Daniel A. Scott whose convictions for fraud, and other corporate disabilities, probably presently preclude him from having a licence to do business under the relevant Quebec statute?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will take notice of the question put by the hon. member and refer it to the minister who I am sure will reply to the hon. member tomorrow if he cares to raise it at that time.

Mr. MacKay: A further supplementary question. Can the acting minister also explain why Air Canada has not corrected a practice that appears to be causing the loss of vast amounts of money, because of a strange reluctance to check vigorously and conscientiously, billings from the company's appointed travel agents which claim inappropriate commission over-ride charges, despite the fact that group vice-president, Maurice D'Amours sent out a joint memo with his CP Air Counterpart last March indicating awareness of this fraudulent practice?

Mr. Goodale: Once again, Mr. Speaker, I will draw that matter to the attention of the Minister.

* * *

MULTICULTURALISM

POSSIBILITY OF CHANGE IN PROGRAM AND ELIMINATION OF FUNDING FOR THIRD LANGUAGE TRAINING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of the Minister of Labour I should like to direct a question to the Prime Minister. Could the Prime Minister inform the House whether statements attributed to the Minister of Labour in today's press to the effect that the government's multiculturalism program is going to shift from what it has been in the past, the positive encouragement of folkloric activities, to one of fostering good understanding which, if this is the direction of the new program, will constitute a retraction from the proposals made by the Consultative Council on Multiculturalism to the government? I ask the Prime Minister if this means that there is to be a major change in policy, or is this simply a proposal being advocated at this time by the Minister of Labour?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, unfortunately I have not had time to read the speech of the Minister of Labour who is responsible for multiculturalism. But I propose to read and discuss it. I repeat: the government is very much committed still to its policy on multiculturalism. That does not mean that we do everything the multicultural advisory committee recommends, although we put considerable importance on the weight of

its recommendations. The minister will certainly be prepared to make a statement at the proper time on the government's orientation in applying its policy on multiculturalism.

Mr. Broadbent: A supplementary question, Mr. Speaker. The Minister of Labour having indicated that, among other proposals, the government plans to eliminate federal funding for third language training in schools, may I ask the Prime Minister if that specific idea is government policy and, if so, if it was arrived at after consultation with provincial governments and the Canadian Consultative Council on Multiculturalism?

Mr. Trudeau: Mr. Speaker, I do not know from what the hon. member is quoting. I will have to see what the minister said and only then will I be able to say if he expressed government policy. I repeat, the government does not intend to lend any less emphasis to its strong belief in the policy on multiculturalism. The government, in many areas, is trying to bring in new programs which will implement the government's policy even better in all fields. This, in some cases, may mean switching funds from one area to another but will not mean reneging in any way on that important program.

REQUEST FOR STATEMENT ON GOVERNMENT'S PLANS

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. Since the views reportedly attributed to the Minister of Labour in quotation marks will, if implemented, constitute a major redirection of government policy in this area and a rejection of the proposals of the Consultative Council on Multiculturalism, will the Prime Minister make the commitment to the House that the Minister of Labour will make a statement in the House at an early date on precisely what are the government's plans in this important area?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in view of my answer, and in view of the question, this, it seems to me, is clearly hypothetical at this stage.

* * *

[*Translation*]

OLYMPIC GAMES

ALLEGED DISINTEREST OF FEDERAL GOVERNMENT IN PROJECT

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Considering that the Canadian government advised the International Olympic Committee in 1969 that Canada was eager to host the Olympic Games, and that a few months ago it introduced and had adopted legislation to authorize the holding of an Olympic Lottery and the sale of Olympic coins and stamps, could the right hon. Prime Minister explain to the House the apparent lack of interest his government is now showing for these games?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must indeed make an effort to reply dispassionately to this question. In my opinion, it proceeds from most complete ignorance, which astonishes me on the part of an hon. member who speaks of federal government disinterest. I hope the hon. member will seek information. He need only consider the acts which this government has introduced in the House over the past few years and which are responsible for the greater part of the Olympic Games financing. That is why I feel it is somewhat foolish to speak of federal government lack of interest in the Olympic Games.

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AGRICULTURE

POSSIBLE ELIMINATION OF TRANSPORTATION SUBSIDY ON FEED GRAIN

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

As a Quebec City daily claims that federal officials hesitate to publish an order in council announcing the refusal of the government to grant a subsidy to the transport of feed grain, can the minister tell the House whether the federal government really intends to do away with the subsidy on the transport of feed grain towards eastern Canada and more particularly towards Quebec?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, no decision has been made on that.

[*Translation*]

INQUIRY AS TO GOVERNMENT INTENTIONS WITH REGARD TO INDUSTRIAL MILK SUBSIDY

Mr. Roch La Salle (Joliette): Mr. Speaker, on a supplementary.

I wish to ask the minister whether, in view of the worries of the Dairy Producers Association, he can tell the House if the government intends to encourage a decrease in the subsidies now granted industrial milk producers, or even eventually cancel those subsidies?

[*English*]

● (1420)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we announced how much money we were going to pay on milk subsidies last April. We are paying that much for the current dairy year. We told them to live within their quota, production and so on of one million hundredweight of milk. They are in overproduction at the present time. They are creating surpluses of skim milk powder and other dairy products. We do not intend to increase the subsidy to them. We announced at that time that the subsidy would be decreased as of April 1, 1976.

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AIR TRANSPORT

DATE OF ANNOUNCEMENT OF POLICY ON REGIONAL CARRIERS—ALLOCATION OF CHARTER FLIGHTS TO TRANSAIR

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Transport, I will

direct my question to his parliamentary secretary. In light of the fact that Transair Limited, one of the largest regional airlines in Canada, will be facing a deficit for the first time in recent years and the statement by its president that one of the contributing factors is attributed to the federal government, may I ask where is the long overdue policy on regional airlines announced in 1966, and more recently promised by the former Minister of Transport in June, 1975 during debate on the new transportation policy?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member will know that the Minister of Transport, coming from the part of the country from which he does, shares the hon. member's concern about the matter of regional air carriers. I am sure the minister will want to respond to the hon. member in some considerable detail at the first opportunity.

Mr. McKenzie: It is action we are interested in, not concern. As Quebecair and Nordair are allowed to have a larger volume of charter flights than Transair and other regional airlines, therefore making an excellent profit, will the minister investigate and see if more charter flights can be allocated to Transair?

Mr. Goodale: Mr. Speaker, I will certainly see that that particular point is drawn to the attention of the minister.

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AIRPORTS

TORONTO—POSSIBLE LOSS OF JOBS BY SKYCAPS—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I do not see the Minister of Transport. I will direct my question to his parliamentary secretary. It deals with a question posed by the right hon. member regarding skycaps in Toronto who are on the verge of losing their jobs, some 26 this month. I know that representations have been made to the minister. Can the parliamentary secretary bring us up to date as to whether these jobs have been saved or not?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I cannot give the hon. member that information at the moment. I will see if I can make it available to him later in the day.

Mr. Alexander: Mr. Speaker, I will direct my supplementary question to the Minister of Manpower and Immigration whom I know will be interested in this matter. There is the possibility that by the end of this month some 26 skycaps at terminal two will lose their jobs as a result of an American subsidiary taking over this type of service. Will the minister use his good offices to investigate this matter in order to determine whether these jobs can be saved or, in the alternative, that other employment can be offered to them?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, Mr. Speaker. I appreciate the hon. member's suggestion and will act on it.

[Mr. McKenzie.]

MULTICULTURALISM

PROPOSED APPOINTMENT OF MINISTER

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Prime Minister with regard to the statement made by the Minister of Labour about the future of multiculturalism in Canada. The Prime Minister has stated that he and the government maintain an interest in multiculturalism. In the interest of multiculturalism, will he give consideration to raising the status of this interest to portfolio level and having a minister in charge of that portfolio, not as an adjunct to an existing portfolio as in the case of the Minister of Labour.

Mr. Speaker: Order, please. The hon. member will be aware that that question, although it was quite some time ago, shortly after the beginning of this session, was asked and answered.

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ADMINISTRATION OF JUSTICE

DATE OF INTRODUCTION OF PEACE AND SECURITY PLAN

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct a question to the Minister of Justice? It has to do with reports today that we shall now be expected to wait until some time in the New Year before given details of the government's so-called peace and security plan, supposed to be available on October 14. May I ask whether these reports are true and whether it is the intention of the government to introduce the program before Christmas? Or has some snag developed?

Hon. Ron Basford (Minister of Justice): Those reports came neither from myself nor from the Solicitor General, which are the two reports which would matter in the matter. We have not run into a snag. We are working as a matter of priority to prepare legislation for presentation to the House. When it is presented will depend upon when it is ready and when the schedule of sittings of the House is determined.

Mr. Baker (Grenville-Carleton): In view of the importance of this package of legislation in the minds of Canadians, can the minister give the House any undertaking as to time, or is the foot dragging which has been going on for three years with respect to this kind of legislation to be continued?

Mr. Basford: I am delighted that the hon. member should be so anxious to see the legislation and, hopefully, to support it. I assure the hon. member that there is no foot dragging with regard to it. It is being prepared as fast as the draftsmen can prepare it. However, as the hon. member knows, we have been consulting with provincial attorneys general and others as to details of the measures we are proposing to introduce, and this takes time. I repeat that I regard this as a matter of priority, and so does the government. We will introduce the legislation when it is ready and when parliament can deal with it expeditiously.

NORTHERN AFFAIRS

CHURCHILL RIVER DIVERSION—GOVERNMENT INTENTIONS WITH REGARD TO LEGAL ACTION AND FUNDING OF FLOOD COMMITTEE

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. It has to do with his statement several months ago which was interpreted by the Province of Manitoba as a threat. The statement related to the Churchill River diversion in that province. Does the minister intend to proceed with legal action, as trustee of Indian lands in that province? Why does he continue to fund a northern flood committee which has no status to take legal action on its own behalf?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): The question of an injunction was an option which was being examined. However, because of engineering difficulties, the diversion was delayed for a year and the urgency was taken out of the matter. The situation now is that the northern flood committee has, by band council resolution, authority to act on behalf of the bands involved. We are, therefore, working with them. We expect we shall shortly be appointing a mediator who will be working with the provincial government, the northern flood committee and ourselves to resolve the problem.

* * *

URBAN AFFAIRS

HABITAT 76—REQUEST FOR ASSURANCE CONFERENCE WILL BE HELD

Mr. Hugh A. Anderson (Comox-Alberni): A question to the Minister of State for Urban Affairs, Mr. Speaker. Having regard to the ten to one vote by the Vancouver City Council last night not to host Habitat 76, can the minister assure the House that the Government of Canada will proceed with the conference and will assist the City of Vancouver in taking the security measures required to ensure a positive atmosphere for this most important UN conference?

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker. The government intends to continue the momentum of preparations to carry out the Habitat Conference and make it one of the most successful conferences ever held under the auspices of the United Nations. We are now making adequate security arrangements and discussions are under way with the City of Vancouver. I have spoken personally to the Mayor, and the Secretary-General is now in touch with the Council to determine the parameters of any concerns they may have and give whatever support he can to make sure the event is held in a proper atmosphere.

Some hon. Members: Hear, hear!

● (1430)

AGRICULTURE

MARKETING BOARDS—POSITION OF MINISTER ON APPLICABILITY OF ANTI-INFLATION GUIDELINES—CRITERIA TO BE USED IN SETTING PRICES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to address a question to, I suspect, the only friend of the farmers and marketing boards in the whole cabinet, the Minister of Agriculture. In view of the government's policy that farmers and fishermen are exempt from the guidelines under the anti-inflation program, and in view of the fact that a government document says that these boards will have to be reviewed before reaching firm decisions on which ones should be subject to the guidelines and which of their costs should be allowable, may I ask the Minister of Agriculture whether he can tell the House if it is still the position of the government that they are exempt from the guidelines; can the minister explain how that statement is compatible with the willingness of the Anti-Inflation Board to make scapegoats of the marketing boards, ignoring wholesalers, processors and packagers; and does the minister intend to see that the farmers and fishermen remain exempt under the guidelines?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, let me say again that some editorial writers have been grossly inaccurate about how marketing boards operate. For example, today's *Globe and Mail* editorial is just a bunch of trash as far as I am concerned. It could not do more to inflame the public. There is nothing that a well run marketing board has to fear from the Anti-Inflation Board, or from anyone else, as far as I am concerned. They are under strict guidelines, just as strict as the guidelines that are going to apply to industry and labour.

Mr. Benjamin: A supplementary question, Mr. Speaker. I agree with the Minister of Agriculture's statement about the *Globe and Mail* and others that have made stupid statements about marketing boards, but in view of the fact that his own government officials have said that they are exempt, and then in another paragraph they say it is to be decided which of the marketing boards will be included under the guidelines, and that this proposal is being put forward to the provinces today, I ask the Minister of Agriculture whether he can tell the House if the criteria for the pass through of the costs of production presently being used by CEMA or by marketing boards operated by the provinces will be used by the Anti-Inflation Board or the Farm Products Marketing Council, or will the criteria of the Minister of Transport under the grain stabilization bill or the criteria of Mrs. Plumptre be used?

Mr. Whelan: Mr. Speaker, the form of pricing used by marketing boards is public information available for scrutiny by anyone who wants to study it realistically. We have nothing to fear from any marketing board. They are under really strict guidelines now, stricter than those for industry, and we do not have to worry about their being under the Anti-Inflation Board. The vast majority of ministers that we have talked to about this have said the same thing of provincial marketing boards that have anything to do with price setting.

Oral Questions

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—PROVINCIAL COMMITMENT TO GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister who I am sure is kept fully informed on this subject. It concerns the attitude of the provincial representatives to the government's anti-inflation program and the indications for support or commitment that those representatives have made today. Can the Prime Minister tell the House that all of the provinces are now committed either to allowing the federal government to implement the guidelines in their province in the area of provincial jurisdiction, or that they have given the assurance that they themselves will enforce the federal guidelines within their jurisdiction?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the Leader of the Opposition realizes that the meetings began this morning and they are still going on. They may last until late today, and until they are finished I cannot, of course, give the conclusions reached by the meeting.

Mr. Stanfield: A supplementary question, Mr. Speaker. I did not ask for the conclusions of the meeting. Since reports were going out over the news on the attitude of the provinces, I thought that the information might have reached the Prime Minister.

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AGRICULTURE

REASON FOR FAILURE OF DR. HOPPER TO BE ELECTED HEAD OF THE FOOD AND AGRICULTURE ORGANIZATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. I am glad to see him back from the Food and Agriculture Organization conference in Rome. Can he enlighten the House on the reason that Canada's candidate, Dr. Hopper, was not elected head of the Food and Agriculture Organization having regard to the fact that Dr. Hopper visited 30 countries to enlist support and that all over the world Canadian embassies and ministers endeavoured to secure support for him for this position?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am aware that he visited 30 countries, and I wish we could all do as well politically; he received 28 votes out of the 30 countries he visited. I would say he entered the campaign to be director of FAO late. I think he was highly qualified and would have done a good job if elected. I think that had FAO followed the true democratic form of elections to which the right honourable gentleman and I are used in Canada, where we vote down to the finishing line and that sort of thing, the result might have been different.

I suggested that Dr. Hopper stay right to the finish line, but he withdrew on his own after the result of the first ballot was known, when the man who is now director of FAO, whom we wish the very best and offer him our utmost co-operation, polled 62 votes. I think that FAO has become very politicized, and I also expressed concern about this at the conference.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. I am glad to have the minister's views on elections, but I am wondering whether the Canadian Press also produced a trashy article when it said that the reason that Canada was turned down was that it is difficult to defeat an Arab, and that anyway Canada was too inexperienced in this kind of lobbying. Is that the reason, and would the minister at the same time inform the House whether the various countries that apparently worked for support of the resolution concerning Israel and racism also ganged up on Canada?

Mr. Whelan: Mr. Speaker, I am not prepared to say that they did that, but I will say once again that if we had been running the election I am sure we would have run it in a different form. As far as I am concerned, the people running the election for the Canadian candidate were not experienced politicians; they were mostly civil servants.

Mr. Diefenbaker: A final supplementary question, Mr. Speaker. The minister is an experienced politician and I should like to know what was wrong with the electioneering that was done which did not meet the approbation of the minister, who is so qualified on the subject.

Mr. Speaker: Order, please.

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NATIONAL DEFENCE

ALLEGATION THAT STRAIN OF PEACEKEEPING ON PERSONNEL WILL BE MET BY CLOSING BASES—GOVERNMENT POSITION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In light of the fact that the chief of the defence staff said yesterday before a committee of the House that peacekeeping obligations of defence forces cause a strain that can only be removed by the addition of 1,500 men, and since the *Globe and Mail* has reported that it has been suggested that this problem might be met by the closing of some bases in Canada, can the minister confirm that, under the present situation surrounding the base at Summerside, that base will be immune from any such program at the present time?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have not seen a transcript of the statement of the chief of the defence staff before the standing committee, but I am quite certain that our peacekeeping obligations are such that they do not involve our having to close bases in Canada, whether Summerside or any other base. If there is any infrastructure consolidation it will result from other causes than our peacekeeping obligations.

● (1440)

TRADE

ANTI-INFLATION GUIDELINES FOR EXPORTERS—DATE OF ANNOUNCEMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as a usually reliable source tells me that the guidelines for exporters have now been drawn up and are ready for use, would the Minister of Industry, Trade and Commerce advise the House when the export industry will be advised of the nature of these guidelines?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not quite sure whether the guidelines are being discussed today with the provincial finance ministers, but that is quite possible. I have the view that the Minister of Finance will be disclosing them here in the course of the debate over the next, however long it takes. In the meantime, I have met with a number of exporter groups and will be meeting with the Canadian Export Association this afternoon. I will be discussing generally with them, not the regulations themselves, but how they think this levy ought to be imposed or dealt with, and I think it is fair to say that the business community with whom I have been talking are satisfied with the nature of the negotiations.

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EXTERNAL AFFAIRS

DETENTION OF MRS. PSARSKI IN POLAND—REQUEST FOR REPORT ON EFFORTS TO OBTAIN RELEASE

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Secretary of State for External Affairs which is further to my question of several days ago on the subject of Mrs. Joanna Psarski of Georgetown, Ontario, a Canadian landed immigrant who returned to Poland on the death of her father in September 1973, and who has since been unable to obtain an exit visa from that country. I understand the minister is now in a position to advise the House on the up to date status of the situation, and I know this would be greatly appreciated by her family and all others connected with the case. I hope that he can do so.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the Canadian Ambassador to Poland presented a list of cases to the Polish authorities on Friday last, on which list was included the name of Mrs. Psarski. I may mention that I raised the same case along with others during my visit to Poland. No decision has yet been made, and until a decision has been made one way or another we can only expect that the Polish authorities will give careful consideration to the desire of Mrs. Psarski to return to Canada. I am also seeing the Polish Ambassador here in Ottawa this afternoon and I intend to raise the case with him.

Oral Questions

AIR CANADA

USE OF IMPORTED WINES ON DOMESTIC FLIGHTS—GOVERNMENT POSITION

Mr. Joe Flynn (Kitchener): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Transport. As a result of many complaints and phone calls, it has been ascertained that the only wine available on a domestic flight in Canada happens to be an imported wine.

Some hon. Members: Shame.

Mr. Flynn: There are many excellent Canadian wines produced in the Niagara and west coast areas, as well as in parts of Quebec. Will the parliamentary secretary ask the minister whether he can give us a full report on this spirited situation?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the matter of the usage of food and beverages by airlines is, of course, something for them to determine. I might say that I share some of the hon. member's sentiment in connection with the beef which is sometimes served on aircraft, in that it is often Australian as opposed to Canadian. I will convey the representation to the minister in order that he may reply.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

SUGGESTION CANADA WITHDRAW FROM INTERPOL

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Solicitor General who, I suppose, was paroled by the Cabinet, I direct my question to the right hon. Prime Minister.

Considering that the U.S. Congress is seriously considering severing connections with Interpol, is the Canadian government prepared to suggest the same attitude of disengagement towards this organization, because of the content of the records which has been under study by the Solicitor General since March 1975?

[*English*]

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): Mr. Speaker, I might say that the present President of Interpol is a former Commissioner of the RCMP and these matters are constantly under consideration. I will bring this specific matter to the attention of the minister, however, so that he can give a more complete answer.

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HOUSING

CENTENNIAL DEVELOPMENTS, HALIFAX—REASON FOR FAILURE OF DEVELOPER TO COMPLETE PROJECT

Mr. John Gilbert (Broadview): Mr. Speaker, on May 30 of this year I asked the Minister of State for Urban Affairs to look into problems in respect of construction of senior citizens' housing in the city of Halifax, and in particular

the projects of Centennial Developments in the Quinpool area, which is owned by a developer by the name of Mr. Medjuk. The minister promised to look into this matter six months ago. Today I am advised that the senior citizens' buildings are still not completed and the developer is still in financial difficulty. Will the minister advise the House as to the reasons for non-completion, and undertake to have CMHC assume the responsibility for completion, financing and administering of these senior citizens' buildings?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, after the hon. member's previous question I went into this rather exhaustively and found that one building was 90 per cent completed and the other 95 per cent completed, and they were to be ready for occupancy within a month. I am disturbed to hear that is not the case, so I will look into it immediately and report back.

CENTENNIAL DEVELOPMENTS, HALIFAX—REQUEST FOR INVESTIGATION OF ACTIVITIES OF MR. CALDER HART

Mr. John Gilbert (Broadview): Mr. Speaker, will the minister also investigate the actions of the CMHC regional director, Mr. Calder Hart, concerning his opposition to alternative proposals for social housing in the Quinpool Development?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I certainly do not look into the conduct of Mr. Calder Hart. He is absolutely a first-rate public servant and an excellent regional director for CMHC. I am sure he has given his best judgment in every way possible. I have complete and utter confidence in him as an excellent representative of the corporation.

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ADMINISTRATION OF JUSTICE

MARSHALL CROWE REFERENCE TO FEDERAL COURT—DATE OF DECISION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice whether the Federal Court has now made a decision in respect of a challenge regarding the possible prejudice of the Chairman of the National Energy Board, Mr. Marshall Crowe, and whether the hearings will now continue?

Hon. Ron Basford (Minister of Justice): As I recall it, Mr. Speaker, the reference from the National Energy Board has been set down for hearing on December 8. I have instructed counsel to appear on my behalf to argue that, on the basis of the material before the court there is no reason to believe there is either real bias or any reasonable apprehension of bias on the part of the chairman.

[Mr. Gilbert.]

AGRICULTURE

REASON FOR DELAY IN ANNOUNCING STABILIZATION PROGRAM FOR COW-CALF PRODUCERS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, inasmuch as the recent beef stabilization program on October 23 will do absolutely nothing to alleviate the hardships of the hard-pressed cow-calf producers of our country, I would ask the Minister of Agriculture whether this represents the totality of the beef support program, and whether arising from that announcement there will be no program specifically designed to assist the cow-calf producers? If that is so, will the minister explain to the House why he has taken this position in light of the fact that on September 19 of this year, I believe, he stated in the city of Edmonton that the cow-calf stabilization program was less than two weeks away?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I answered these questions in the House sometime ago. I said the main reason was that is was impossible and impractical for us to try to initiate a national plan when about six provinces have different plans of their own to look after cow-calf operators. For instance, the province of Ontario has a program, as does the province of Quebec and the province of British Columbia. These are all different programs. How am I going to make a national program work? Most of the provincial ministers have written me and the deputy ministers have met with our officials here to try to work out a proper program to start, I think, in January 1976.

Mr. Mazankowski: Mr. Speaker, I am appalled by the minister's answer. It is obvious he has lost control of this very important industry. Let me ask the minister whether he is continuing discussions with his provincial counterparts to see if a realistic stabilization program can be brought forth to assist the hard-pressed cow-calf producers, using the provisions of the Agricultural Stabilization Act, which this party supports.

● (1450)

Mr. Whelan: Mr. Speaker, I should say to the hon. member, and I am sure he is aware of it, that he should express his views to the Canadian Cattlemen's Association which has asked us to do nothing at all. The Saskatchewan Stock Growers Association have said to us, "Do not go any further than you have gone; quit interfering with the bill". I hope the hon. member will talk to some of his colleagues who raise hell with marketing boards so we can develop a proper program.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Answer my question.

* * *

EXTERNAL AFFAIRS

REASON FOR HOLDING HABITAT 76 CONFERENCE IN VIEW OF CANCELLATION OF CRIME CONFERENCE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Secretary of State

for External Affairs. When he announced to the House on July 21 that Canada was seeking a postponement of the crime conference scheduled to be held in Toronto, he explained:

> As host country, we felt that Canada had assumed a major responsibility for the success of this congress, and in such an unfavourable political climate we did not see how we would possibly carry out our responsibility.

May I ask the minister, in light of the fact that since the infamous anti-Zionist resolution in the United Nations a couple of weeks ago political support in Canada for the Habitat conference has declined drastically culminating in the vote last night by Vancouver city council to ask the government to postpone the Habitat conference, how he can explain the decision to go ahead with the Habitat conference in Vancouver in light of the explanation he gave to the House regarding the crime conference in Toronto that at that time the climate was not suitable for it when in fact it has deteriorated since that time? In other words, what is the difference between the crime conference in Toronto and the Habitat conference in Vancouver which made it desirable to cancel the crime conference—

Some hon. Members: Order.

Mr. Speaker: Order, please.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The circumstances which I described in July as pertaining to the crime conference were the factors that I applied for the postponement of that conference. This is an entirely different situation than the one which existed at the conference some months ago. I believe the hon. member would not find it difficult to find considerable differences between the two situations.

REASON FOR FAILURE TO SIGN AGREEMENT WITH UNITED NATIONS TO HOST HABITAT 76 CONFERENCE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): In light of the fact that the minister and his colleague, the Minister of State for Urban Affairs, have stated that Canada is firmly committed to the holding of the Habitat conference, why has the government not yet signed the commitment which it was asked to sign in August by the United Nations to host the conference, and when does the minister expect this commitment to be signed by Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I think it is worth pointing out to the House that following the request by the Canadian government to postpone the UN conference on crime, a preparatory meeting was held in New York in August for the UN Habitat conference. At that time the members of the preparatory meeting asked Canada explicitly whether it intended to go ahead with the conference in Vancouver. At that time assurances were given by our representative and by myself at the preparatory meeting to the secretary general of the conference itself.

Mr. Beatty: Will you sign the commitment?

Mr. MacEachen: The hon. member refers to an agreement. There is under consideration an agreement which is normally signed between the host country and the UN secretariat. At present that agreement is under negotiation and it will be signed as soon as the negotiations are completed.

* * *

URBAN AFFAIRS

HABITAT 76 CONFERENCE—POSSIBILITY OF FINANCIAL ASSISTANCE TO PLO DELEGATION—GOVERNMENT POSITION

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a supplementary question which I should like to direct to the Minister of State for Urban Affairs. In view of the concern in Canada about the attendance of the PLO at the Habitat conference, would the minister say what financial assistance is being made available to the PLO by the government of Canada so that they can attend and cover their costs?

Hon. Barney Danson (Minister of State for Urban Affairs): None, Mr. Speaker.

* * *

EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON NEED OF CANADIAN SUPPORT BY UNITED NATIONS IN VIEW OF ECONOMIC AND SOCIAL AID PROGRAMS

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Because of the tarnished image of the United Nations following the anti-Zionist resolution and the continued confusion about the value of the UN, would the minister make a statement on motions soon outlining the vast amount of economic and social aid programs conducted by UN agencies throughout the world which provide proof of why the UN needs continued strong support by Canada and other western countries despite lack of money and unfortunate resolutions pushed through by members of the UN?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I certainly agree with the conclusions the hon. member has drawn to the attention of the House. It may not be possible for me to make a statement on motions, but I intend to appear before the Standing Committee on External Affairs and National Defence next week, and, if possible, I will take that opportunity to elaborate upon the points the hon. member has mentioned.

* * *

AIR CANADA

OPPORTUNITY OF EXECUTIVES TO OBTAIN SUGAR OPTIONS—TERMS OF EMPLOYMENT CONTRACT

Mr. Ron. Huntington (Capilano): I have a question for the Parliamentary Secretary to the Minister of Transport. Can he advise the House whether the acknowledged opportunity available to certain Air Canada executives and their colleagues to option $100 million worth of sugar at a time

of a world shortage and rising prices was made available to them during Air Canada technical aviation negotiations with Haiti, Martinique, Guadaloupe and Jamaica?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): I do not entirely accept the background information which the hon. member has presented in the preamble to his question, but I will draw the question to the attention of the minister who will want to make further explanations to the hon. member.

Mr. Huntington: Can the parliamentary secretary advise the House whether the terms and conditions of employment contracts with Air Canada executives permitted Air Canada's executives setting up companies for the purpose of using profit opportunities available to them during the performance of Air Canada duties?

Mr. Goodale: Once again I will make that question known to the minister.

* * *

SOCIAL SECURITY

GOVERNMENT INTENTIONS WITH REGARD TO ALTERATION OF CANADA PENSION PLAN

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the recent critical report by the advisory group of the investment record of the Canada Pension Plan, is the government considering introducing legislation which will alter the investment aspects of the plan, particularly as regards the rate of interest charged to the provinces?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member has pointed out, this has to do with the rate of interest being paid by the provinces for their borrowings from the Canada pension fund. Under the present legislation, any amendment can be brought forth only with the consent of two thirds of the provinces with two thirds of the population. My colleague, the Minister of Finance, and I will certainly be raising this with our provincial colleagues. I have already made this document available to the provincial governments and I have asked them to study it, but this is a subject which should be discussed with the Minister of Finance because of its substantial implications for the provinces.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—DATE OF DECISION ON AWARDS IN VANCOUVER QUADRA CONSTITUENCY

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration of which he has received notice. In view of the fact that November 3, the date for the awarding of LIP grants passed into history over three weeks ago and that the awards for Vancouver Quadra have not yet been announced, can the minister say if this delay has been caused by the lack of alternate funding for the Habitat forum projects? If so, what success have the minister and his cabinet colleagues had to find alternate funds for this international conference and, if not, when will the minister announce the successful Vancouver Quadra LIP projects?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I can wrap up my answer by applying my comments to the last part and telling the hon. member that I will make my decision this afternoon or tomorrow.

* * *

NATIONAL DEFENCE

POSSIBILITY OF INCREASE IN PERSONNEL OF ARMED FORCES—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): I have a question which I should like to direct to the Minister of National Defence and it has to do with comments of General Dextraze on supplementary estimates during the meeting of the standing committee yesterday afternoon when he spoke of the need of an additional 1,500 men which would mean a payroll addition of as much as $22 million. Can the minister clarify what his intentions are, whether or not the 1,500 men might, for example, be required to supplement the effort we are going to put forth in support of the Olympic Games next summer, or whether this is a general requirement so that the minister and his professional staff may not have to consider base closures?

● (1500)

Hon. James Richardson (Minister of National Defence): Mr. Speaker, again I must say I have not seen the statement of the chief of staff. I know that he understandably requires additional personnel, as many of our men are double tasked and triple tasked, and he would be only doing his duty to suggest that he could use additional personnel, but presently there are no plans to increase the 78,000 in the regular force and the 22,000 in the reserve. Despite the fact that it would be simpler for all if we could increase, the decision is to stay at our present level.

Mr. Forrestall: I wonder then if the minister could consult with the chief of the defence staff, and if he is prepared to make either some form of press statement or respond to a question later in the week or make a statement later in the week as to the specific requirement which General Dextraze has for these 1,500 men, and whether in the absence of these 1,500 men it would be necessary for the Minister of National Defence to have to consider closing bases in order to free 1,500 men for the specific task or requirement of the chief of the defence staff.

Mr. Richardson: I expect to be making a statement in the House in the very near future which will cover the question raised.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I rise on a question of privilege relating to the answer given by the Minister of Agriculture (Mr. Whelan) to the hon. member for Vegreville (Mr. Mazankowski). This goes back to over a month ago on October 17 when, on

a similar type of question from the hon. member for Vegreville, the minister said that the official opposition should explain its attitude toward the Cattlemen's Association's view on cow-calf operations. On the next day, as Your Honour will remember, I rose in the House and put a question in the following way:

> Mr. Speaker, in the absence of the Minister of Agriculture I would address my question to the acting minister. Will he please inform the minister that the official opposition to Her Majesty's government in this House is in favour of the Agricultural Stabilization Act terms being carried out in connection with the cow-calf floor price? The government promised this in the middle of September, and I am simply responding to the minister's challenge in his reply to the hon. member for Vegreville yesterday, by stating that the official opposition wants to see the terms of the act carried out, including the cost of production formula added in.

My question of privilege is simple. This is the second occasion on which the minister has replied to the hon. member for Vegreville by sliding away from the question and his responsibilities under an act which parliament passed, with the support of all parties, and he is not carrying out the formula as laid down in the act which should be applied to cow-calf producers.

Mr. Whelan: Mr. Speaker, we are carrying out the act, as it has been carried out in past years, and we are actually using 100 per cent of cost of production for beef in Canada at the present time.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, my point of order arises out of your disallowing my question to the Prime Minister (Mr. Trudeau) with respect to the appointment of a minister responsible for multiculturalism. I fully appreciate the fact that a similar question was asked some time ago, but I ask for clarification with respect to the propriety of asking such a question under changed circumstances, circumstances which now are of concern to approximately one third of the people in our country who are neither of French nor English origin.

The situation is very simple. The Minister of Labour (Mr. Munro), who is responsible for multiculturalism, has made a statement, which was brought to our attention also by the hon. member for Oshawa-Whitby (Mr. Broadbent), with respect to a very fundamental change in the multiculturalism program. As a result it seemed to me an appropriate question to ask the Prime Minister under these changed circumstances whether he would reconsider his position with respect to the appointment of a minister responsible for multiculturalism rather than having it as an adjunct to another portfolio.

With the greatest deference, Mr. Speaker, it seems to me that that is a very legitimate and proper question under the circumstances, which have changed rather dramatically over the course of the last 24 hours, and I would ask for guidance from Your Honour with respect to the allowance of that line of questioning in a subsequent question period. I realize that the time has now expired with respect to this question period, but I can assure Your Honour, from my own point of view and from what I have heard, that this matter is of grave concern to a great number of people in Canada, and I should like the opportunity of pursuing that line of questioning with the Prime Minister subsequently.

Multiculturalism

Mr. Speaker: Order, please. The fact of the matter is that the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) raises a very serious point of order. Although I have no choice in the matter at the moment, upon reflection I am aware that a question in exactly that form had been put not once, but on more than one occasion earlier in the session when it was first announced that responsibility for the multiculturalism program would be in the hands of the Minister of Labour (Mr. Munro). I recall specifically the Prime Minister (Mr. Trudeau) answering, and indicating he was satisfied it was in good hands. However, I must say on reflection that I have some sympathy with the point of order raised by the hon. member for Saskatoon-Biggar because changing circumstances do give rise to the valid re-introduction of the same question.

The Prime Minister is still in the House, and he seems to be willing to make some comments at this time. Perhaps that might be the most appropriate resolution.

Mr. Trudeau: Mr. Speaker, I share your opinion on this point of order, and if I am allowed, I will attempt to deal with the question, although perhaps not very differently than I did in previous circumstances.

The matter of organizing the cabinet so that we do not have more ministers than we have is a constant problem. The House will recall a time some years ago when we had a special minister for dealing with multiculturalism, but before that there was a minister without portfolio dealing with certain problems of citizenship attached to the Secretary of State. At another time there was a minister without portfolio dealing with certain sectors of the Department of Transport. At another time there was a minister without portfolio dealing with the Wheat Board, and one dealing with—

Some hon. Members: Oh, oh!

Mr. Trudeau: At specific times in the life of government as certain problems become pre-eminent it is sometimes necessary to designate ministers without portfolio to deal with them. For instance, now I have a minister with a portfolio who is dealing with the problem of the status of women. I am sure that in the mind of the hon. member the status of women is just as important as the question of multiculturalism. I have not chosen to name a special minister for that, nor indeed a special minister for youth or for bilingualism. I understand and share the concern of the hon. member—

Some hon. Members: Oh, oh!

Mr. Trudeau: —but I understand from his representation, and I suppose from the rather incomprehensible heckling from the other side, that it is being suggested that I enlarge the cabinet.

An hon. Member: Put Jean Marchand to work.

Mr. Nielsen: Jean Marchand for multiculturalism.

Some hon. Members: We want Jean.

Mr. Trudeau: I also have a minister without portfolio who very recently has been dealing very competently with the problem of *La Francophonie*, and I could go on and

recite the special areas which call for special ministers. However, I repeat that if the House is adamant and wants the cabinet to be enlarged, I can undertake to do so with the support of the House, not only in the area of multiculturalism, but probably in the area of the status of women and other areas.

I wish the opposition would make its point clear on this matter and not ask the government to cut its expenditures while asking at the same time for the enlargement of the cabinet.

ROUTINE PROCEEDINGS

[*Translation*]

RESEARCH BOARD ON FISHERIES OF CANADA

TABLING OF ANNUAL REPORT

Hon. Roméo LeBlanc (Minister of State, Fisheries): Mr. Speaker, under Standing Order 41(2), I wish to table the annual report of the Fisheries Research Board of Canada for the year 1974, in both official languages.

* * *

FEDERAL-PROVINCIAL COMMITTEE ON FOREIGN OWNERSHIP OF LAND

TABLING OF REPORT

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, pursuant to Standing Order 41(2), I should like to table a report of the Federal-Provincial Committee on Foreign Ownership of Land in both official languages.

MOTIONS FOR PAPERS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 63 is acceptable to the government.

Mr. Speaker: Is it the pleasure of the House that notice of motion No. 63 be deemed to have been carried?

Some hon. Members: Agreed.

[*Text*]

COPY OF TREASURY BOARD MINUTE CONCERNING HARDSHIP CLAIMS FROM CROWN LEASED BUILDINGS

Motion No. 63—**Mr. Reid:**

That an Order of the House do issue for a copy of Treasury Board Minute, dated approximately December 10, 1974, concerning hardship claims resulting from Crown leased buildings.

Motion agreed to.

[Mr. Trudeau.]

[*Translation*]

Mr. Blais: I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

● (1510)

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,273, 3,102, 3,108, 3,112, 3,150 (revised) and 3,182.

[*Text*]

MINISTERIAL PERMITS

Question No. 2,273—**Mr. Schumacher:**

1. Since January 1, 1960, by year, how many people have been granted ministerial permits by the Department of Manpower and Immigration and, what was their country of origin?

2. For the same period, by year, how many were (a) employed in professional positions (b) employed in non-professional classed positions (c) employed in unskilled positions (d) unemployed, and what was the breakdown of ethnic origin in each group?

3. For the same period, by year, how many obtained landed immigrant status in Canada?

4. For the same period, by year, how many of such permits granted were (a) new applications (b) special extensions and, what period of time was applied?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. 1960, 1,992; 1961, 2,272; 1962, 1,268; 1963, 1,386; 1964, 1,307; 1965, 1,565; 1966, 1,011; 1967, 1,371; 1968, 782; 1968, 779; 1970, 485; 1971, 642; 1972, 723; 1973, 4,392; 1974, 17,445. To determine the country of origin of each person issued a Minister's Permit would require a manual examination of Departmental records and would require additional staff resources.

2. The data required to respond to these parts of the question are not maintained.

3. To determine the number of persons issued Minister's Permits who subsequently became landed immigrants would require a manual examination of Departmental records and would require additional staff resources. Approximately 75 per cent of Minister's Permits are issued to close dependants of permanent residents of Canada who while under some temporary prohibition were allowed to join or accompany their family through the use of this procedure. When the temporary prohibition (e.g. lack of immigrant visa) has been overcome by Order-in-Council and all immigration requirements met, the persons concerned are landed.

4. The number of Minister's Permits shown in part 1 are all original issues. To provide a record of extensions would

require a manual examination of Departmental records and would require additional staff resources.

1971 CENSUS

Question No. 3,102—**Mr. Jones:**

1. Did an "editing instruction" result in inflation of the number of French-speaking citizens outside Quebec in the processing of the 1971 census results and, if so, on what date was it discovered?

2. What sanctions, if any, have been taken against the employee who was responsible for this editing instruction?

3. Will corrected figures be available for the number of persons outside Quebec who reported "English only" and "French and English" at the 1971 census and, if so, on what date?

4. Has CBC been warned that the original figures supplied to it exaggerate the number of French-speaking persons outside Quebec?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The 1971 Census of Canada was a self-enumeration Census and the following language questions were asked: 1. Mother tongue—Language first spoken and still understood: English, French, German, Italian, Other. 2. What language do you most often speak at home now? English, French, German, Indian, Italian, Magyar, Netherlands, Polish, Ukrainian, Yiddish, Other. 3. Can you speak English or French well enough to conduct a conversation? English only, French only, Both English and French, Neither English nor French. In the processing of the 1971 Census data a series of procedures was implemented to eliminate all the inconsistencies in the data being produced. The editing instruction referred to was one of these procedures. It ensured that if a respondent reported one of the official languages as mother tongue and the other official language as language most often spoken at home, then the response to the third question (Can you speak English or French well enough to conduct a conversation?), was changed to both English and French. This editing procedure produced the following results: 97,500 persons who originally reported English only for the third question changed to both English and French. 32,400 persons who originally reported French only to the third question were changed to both English and French. 2,450 persons who originally reported neither English nor French to the third question were changed to both English and French. In total 132,350 persons or 4.6 per cent of the bilingual population were added to the population claiming ability to carry on a conversation in both English and French. In addition, if the responses to the question on mother tongue, and to the question on language most often spoken at home were both English, or both French, and the response to the third question was neither English nor French, the following ensued: 113,480 persons reporting neither English nor French to the third question were changed to English only. This was 0.8 per cent of the English only population. 36,130 persons reporting neither English nor French to the third question were changed to French only. This was 0.9 per cent of the French only population. There was no inflation of the number of French speaking only citizens due to these procedures. Editing procedures were finalized on January 11, 1971 and all processing and publication of data have taken these edits into account. The data given above are available at the national level only.

2. Because the above procedure is an authorized and statistically accepted procedure, the question of sanctions against an employee does not become relevant.

3. The results of the edit were incorporated into the official published figures and the question of corrected figures does not arise.

4. The CBC and other knowledgeable users of census data are aware of the edit procedures as a standard practice and additional information regarding this specific procedure was not therefore passed to our users including the CBC.

BUREAU OF CLASSIFICATION REVISION COMMITTEE—DOMINION BUREAU OF STATISTICS REPRESENTATIVE

Question No. 3,108—**Mr. Baker (Grenville-Carleton):**

1. What was the name, title, classification and salary of the Dominion Bureau of Statistics representative on the Bureau of Classification Revision Committee (BCR Conversion Committee or Team) which evaluated Position DBS-FIN-2178 at the time of conversion of the position from Statistician 5 to SI 7?

2. What were the names and titles of the members of the Dominion Bureau of Statistics Review Committee (DBS Management Review) which reviewed the allocation of Position DBS-FIN-2178 in 1968 for eventual consideration by the BCR?

3. What was the pre-conversion (1966) classification and classification level of the Chief of each of the following sections which comprised the Financial Statistics Branch of Statistics Canada (DBS) on April 1, 1972 (a) CALURA Administration (i) analysis and integration (ii) corporations (iii) labour unions (b) Business Finance Division (i) financial institutions (ii) industrial corporations (iii) research and integration (iv) housing and building permits (v) construction (vi) capital expenditures (vii) national wealth and capital stock (c) Governments Division (i) consolidation and co-ordination (ii) federal government (iii) provincial government (iv) local government?

4. What classification standards, if any, were used to evaluate Position DBS-FIN-2178?

5. Was a job description ever submitted for the position based on the SI standards?

6. Was there an 11-month default in processing the grievance filed, challenging the group classification and level of Position DBS-FIN-2178 and, if so, for what reason?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following: 1. Mr. E. G. Porter, Assistant to the Director of Personnel, a PE-4, was the then Dominion Bureau of Statistics representative on the Bureau of Classification Revision Committee referred to.

2. The members of the Dominion Bureau of Statistics management review committee created to review the results of conversion to the Social Science Support Group were: Mr. N. L. McKellar, Director, Central Classification Staff. Mr. G. R. Labossière, Director, Organization and Personnel Services. Mr. G. W. Andrews, Director, Manufacturing and Primary Industries.

3. The classification levels of the Section Chief positions in the Financial Statistics Branch of Statistics Canada were as follows in 1967:

Order Paper Questions

		Position	Level
(a) CALURA	i.	Chief, Analysis & Integration	STAT-5
	ii.	Chief, Corporation	STAT-5
	iii.	Chief, Labour Unions	STAT-5
(b) Business Finance Division	i.	Chief, Financial Institutions	STAT-3
	ii.	Chief, Industrial Corporations	STAT-3
	ii.	Chief, Research & Integration	STAT-3
	iv.	Chief, Housing and Building Permits	STAT-3
	v.	Chief, Construction	STAT-3
	vi.	Chief, Capital Expenditures	STAT-3
	vii.	Chief, National Wealth & Capital Stock	STAT-3
(c) Governments Division	i.	Chief, Consolidation & Coordination	CH-STAT-1
	ii.	Chief, Federal Governments	STAT-5
	iii.	Chief, Provincial Governments	STAT-5
	iv.	Chief, Local Governments	STAT-5

4. Once the occupational category and group allocation was made, the position was evaluated against the Social Science Support (SI) Standard.

5. No, since a submission in such a format was not required.

6. Because of management expectations that program changes could arise that would affect Position DBS-FIN-2178 the grievance filed by the incumbent W. Taylor, against the classification conversion of his position was held back by management for some months and was subsequently actioned without prejudice to the rights of the incumbent. He withdrew his grievance before it could be reviewed. The circumstances of the delay were explained to the incumbent of the position in a letter sent to him on February 8, 1970.

SLAUGHTER HOUSES

Question No. 3,112—**Mr. Laprise:**

1. By province, how many slaughter-houses presently hold Canada approved permits?

2. By province, how many applications for the permit Canada approved were made during each year since 1970?

Hon. E. F. Whelan (Minister of Agriculture): 1.

1.	Read Meat	Poultry	Total
British Columbia	5	6	11
Alberta	22	4	26
Saskatchewan	20	3	23
Manitoba	17	8	25
Ontario	29	18	47
Quebec	28	15	43
New Brunswick	5	3	8
Nova Scotia	4	2	6
Prince Edward Island	1		1
Newfoundland	2		2
	133	59	192

2.	1970	1971	1972	1973	1974	1975	Total
British Columbia	5	1	7	7	3	3	26
Alberta	4	6	9	8	5	9	41
Saskatchewan	7	3	1	2	2	4	19
Manitoba	5	4	9	13	5	6	42
Ontario	31	25	26	18	19	27	146
Quebec	29	22	36	19	17	64	187
New Brunswick	1	2	1	1	6	1	12
Nova Scotia	3	–	5	4	3	2	17
Prince Edward Island	–	2	–	1	1	1	5
Newfoundland	1	–	–	–	–	1	2
	86	65	94	73	61	118	497

LIP—GRANTS TO RICHMOND CONSTITUENCY

Question No. 3,150—**Mr. Beaudoin:** (Revised)

1. Since the inception of the Local Initiatives Programme, how much money has been allocated to the Constituency of Richmond?

2. For each project approved, what was the (a) title (b) amount allocated (c) year of approval (d) town concerned (e) number of jobs created?

[Mr. Roy (Laval).]

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. As per answer tabled on November 4, 1975.

2. (a), (b), (c) and (d) as per answer tabled on November 4, 1975; (e) Please see following amendment.

1972-73

Line	Project title	Amount of funding	Location	Number of Jobs Created
5	L'Entraide-famille	$77,531	Asbestos	15
8	Fabrique de la Paroisse de St-Fortunat	52,209	St-Fortunat	30
10	Aréna de Poche	40,248	Ham-Nord	32
11	Organisation des loisirs	11,232	Weedon	8
13	Initiatives locales de la municipalité du canton de Chester-Ouest	27,860	St-Paul de Chester	13
14	Travaux-loisirs	21,645	Gentilly	15
15	Aménagement de Ravages de chevreuils dans les cantons de l'est	24,336	Bromptonville	16
16	Travaux Municipaux	28,024	Tingwick	16
19	L'Éveil au milieu ambiant	39,898	Danville	14
1	Réservoir souterrain et station pompage	48,438	Disraeli	42
4	Restauration et amélioration	10,530	Windsor	7
1973-74				
8	Aide aux malades et handicapés	30,000	Asbestos	10
13	L'Entraide-familiale	46,280	Asbestos	15
15	Les Initiatives Locales de Bishopton	23,280	Bishopton	31

SPECIAL HOUSING ASSISTANCE FOR VETERANS

Question No. 3,182—**Mr. Marshall:**

1. Have applications been received from veterans organizations under the special housing assistance for veterans (non-profit) rental housing and, if so (a) how many (b) by whom?

2. How much money has been allocated under this programme?

3. How many applications have been received under the AHOP Programme "Special Housing Assistance for Veterans"?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Yes. (a) Two. (b) Royal Canadian Legion, Toronto District "D". Royal Canadian Legion, Alberta Branch No. 35, Red Deer, Alberta.

2. For the fiscal year 1975-76 the Department of Veterans Affairs has allocated $50,000 to the entire Special Housing Assistance Program for veterans.

3. Fifty.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 2,833 could be made an order for return, this return would be tabled immediately.

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

Mr. Crouse: Mr. Speaker, question No. 2,833 was placed on the order paper as long ago as June 20. It deals with a fairly simple matter asking how many consultants had been hired by the Fisheries and Marine Service of the Department of the Environment in the past two years, their names, salaries, and duties, as well as their terms of employment, and whether public tenders were called before they were hired. In the normal course of events that question should have been answered and the answer appear in *Hansard*. That is the procedure I wish the government to follow.

Mr. Blais: Mr. Speaker, we sought to have the matter made an order for return—

Mr. Speaker: Order, please. In fairness to the hon. member for South Shore (Mr. Crouse) he was on his feet but I misinterpreted his stance as indicating that he wished to raise an objection to questions that remain unanswered. However, it is quite clear that he ought to have been heard on that question. If the hon. member does not give his consent the answer will have to be treated as an ordinary answer.

[*Editor's Note: The answer to question 2,833 is as follows:*]

[*Text*]

FISHERIES AND MARINE SERVICE PERSONNEL

Question No. 2,833—**Mr. Crouse:**

1. How many consultants were hired by the Fisheries and Marine Service, Department of the Environment, in the past two years?

2. (a) What were their names and salaries (b) what was their length of employment?

3. Were public tenders called before they were hired?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries):

Name	Amount Paid	Period of Contract	Public Tenders
Acres Consulting	$ 2,000.00	June 1, 1974—August 21, 1974	No
Acres Consulting	4,064.00	22 July 1974—9 August 1974	No
Acres Consulting	2,536.00	March 1975	No
ADI Ltd.	1,000.00	June 1973	No
ADI Ltd.	22,500.00	January 1975—March 1975	Invited Proposals
Alyea A.	3,000.00	Three months (1973-1974)	No
Anderson, Dr. G. D.	550.00	1973-1974	No
Bateman, T.	3,500.00	May 1974—August 1974	No
Beak Consultants	4,514.00	March 1974—July 1974 & March 1975	No
Bissell, Ed & Staff	5,000.00	25 days (1973-1974 open)	No
Bissell, Ed & Staff	6,000.00	30 days (1974-1975 open)	No
Bissell Consultants Ltd.	1,500.00	1974-1975	No
Bissell Consultants Ltd.	5,500.00	26 November 1973—10 January 1974	No
Bissell Consultants Ltd.	3,500.00	1973-1974	No
Blood Donald	19,870.00	132 days 1974-1975	Yes
Built Environment	5,000.00	1973-1974	No
Camarine Consultants	15,000.00	24 February 1975—30 September 1975	Yes
Campbell, Blake A.	6,224.00	Apr 1974 & Jul 1974—Aug 1974 May 1974 & Sep 1974 & Dec 1974	No

Order Paper Questions

Name	Amount Paid	Period of Contract	Public Tenders
Campbell, Blake A.	11,880.00	1973-1974	
Canadair Limited	29,881.00	October 1974—January 1975	Yes
Clarke, Redmond	3,600.00	Four months 1973-1974	No
Clugston, Mackenzie	2,880.00	10 June 1974—31 October 1974	No
Cove, John J.	1,000.00	2 July 1973—31 July 1973	No
Crandall, W. H. & Associates	256,777.00	7 June 1974—31 March 1975	TB 720174
Crandall, W. H. & Associates	72,722.85	1 April 1974—31 March 1975	TB 720174
Croal, J. P.	1,500.00	November 1973	No
Dale, Norman	5,000.00	1973-1974	No
Dalziel, J. W.	4,500.000	1 Sept. 1973—1 Dec. 1973	No
Dalziel, J. W.	6,000.00	1 Avril 1973—30 June 1973	No
D'Aquino, Sandy A.	736.76	27 May 1974—12 June 1974	No
Dept. of Fisheries, N. B.	1,650.00	1973-1974	No
Dept. of Fisheries, N. S.	2,850.00	1974-1975	
Dickson, I.	24,000.00	Twelve months 1974-1975	No
Dobrocky, Seatech	5,674.00	15 February 1975—31 August 1975	Yes
Eagles, J. C.	250.00	1973-1974	No
Engesater, S.	2,300.00	28 August 1974—31 December 1974	Yes
Fissell, David	1,200.00	1 Feb. 1974—31 Mar 1975 & 1 May 1975—30 Nov 1975	Yes
Fougere, Dr. Henri	9,100.00	16 April 1973—15 November 1973	No
Foy, I.	6,055.00	1 June 1975—31 October 1975	Yes
Francis, Ralph	2,500.00	Two months 1973-1974	No
Geomarine Association	8,900.00	February 1974	No
Geomarine Association	5,290.00	1 July 1974—4 September 1974	Yes
Gervais, D.	3,800.00	Five months 1974-1975	No
Gfelier, Sam	9,500.00	1 May 1975—30 Sept. 1975	Yes
Gilbert, J. A.	2,100.00	24 April 1973—31 May 1973	No
Gionet, Huguet	6,375.00	6 March 1972—31 March 1973	No
Gionet, W.	4,000.00	12 October 1973—15 March 1974	No
Gregory, S.	3,000.00	Four months 1973-1974	No
Grober, R. J.	293.49	1973-1974	No
Groves, Dr. T. D.	2,338.00	Ten months 1973-1974	No
Groves, Dr. T. D.	2,981.00	Eleven months 1974-1975	No
Gurney, D. M.	1,500.00	13 June 1975—31 December 1975	Yes
Gytre, P.	1,250.00	Two Weeks 1974-1975	Yes
Harvey, H. H.	18,898.00	1 July 1974—31 March 1975	No
Harwood, T. A.	3,050.00	January 1973—December 1973	No
Hateman, T.	3,500.00	1 May 1973—31 August 1973	No
Heads, Prof. N. S.	2,000.00	Eight weeks 1974-1975	Yes
Highspan Dev.	5,000.00	October 1974—February 1975	No
Highspan Dev.	3,000.00	January 1975—February 1975	No
Hodson, P. V.	300.00	Six days	No
Horwood, Guihan & Cullen	20,163.90	1973-1974	No
Kenting Exploration	3,897.11	1 January 1974—April 1974	Yes
Khandekar, M. L.	500.00	One week (August 20th 1973)	No
Kilborn Eng.	242,000.00	28 May 1973—31 March 1974	TB 719177
Kilborn Eng.	75,412.00	1 April 1974—1 March 1975	TB 719177
Larkin, Dr. P. A.	4,571.00	July, September & October 1974	No
Laval University (Dr. Power)	7,500.00	September 1974—31 March 1975	No
Lawrence, Dr. S.	5,000.00	Six months 1974-1975	No
Layec, M.	3,500.00	1 May 1973—31 August 1973	No
Leggett, W. C.	9,000.00	Six months 1974-1975	No
Levelton, B. H. & Associates	8,174.00	May 1974—September 1975	No
Levelton, B. H. & Associates	3,596.00	January 1975—March 1975	No
Lewis, J. N.	2,500.00	1973-1974	No
Loftus, K. H.	2,053.33	1 June 1974—31 January 1975	No
MacDonald, C. B.	4.050.00	15 June 1973—31 October 1973	No
MacFarlane, C. I.	3,600.00	1973-1974	
MacFarlane, C. I.	4,000.00	1 April 1974—31 March 1975	No
MacInnis Dr. J. B. of Undersea Research Ltd.	22,491.71	1 October 1974—30 September 1975	Yes
MacLaren Atlantic	42,000.00	November 1973—March 1974	Invited Proposals
MacLaren Atlantic	12,500.00	November 1974—January 1975	No
Manex Inc.	71,011.90	25 October 1974—31 March 1975	No
Manton, Dr. M.	300.00	3 March 1975—7 March 1975	No
Masry, Dr. S.	3,000.00	1 August 1974—31 March 1975	Yes
McCrea, Allan M.	13,386.00	1 January 1974—31 March 1975	No
McDonald, Dr. P.	3,000.00	Ten months 1973-1974	No
McGill University	5,000.00	February 1975—March 1975	No
McGriffin, John Stewart	500.00	2 January 1974	No
McKay, John & Associates	9,900.00	15 April 1974—30 November 1974	No
McKay, John & Associates	22,307.00	6 March 1974—31 December 1974	No
McKay, John & Associates	410.00	February 1975	No
McKay, John M.	7,500.00	1 June 1973—28 September 1973	No
McKay, John M.	3,750.00	28 June 1973—9 November 1973 (33 days)	No
McKay, John M.	6,714.00	1 April 1974—30 September 1974 (55 days)	No
Melnychyn, Paul	2,200.00	1973-1974	No
Millen, D.	2,610.00	1 March 1973—31 May 1973	No
Millen, D.	6,000.00	1 June 1973—31 October 1973	No

[Mr. Baker (Gander-Twillingate).]

Name	Amount Paid	Period of Contract	Public Tenders
Needler, A. W. H.	10,400.00	1973-1974	No
Needler, A. W. H.	5,800.00	1973-1974	No
Needler, A. W. H.	21,000.00	1 April 1974—31 March 1975	No
Neil John	100.00	Honorarium	No
Neville, Dr. R. A.	150.00	Three days (1974-1975)	Yes
New Brunswick Research	54,950.00	4 February 1974—4 November 1974	No
Noah, R. J. & Associates	200,000.00	14 May 1973—31 March 1974	TB 719178
Noah, R. J. & Associates	79,000.00	1 April 1974—31 March 1975	TB 719178
Olafson, R. W.	440.00	Four days (honorarium)	No
O'Neill, F. C. Ec Rivens & Assoc.	1,540.00	April 1974	No
Osborn, Dr. T.	6,980.00	1 July 1974—30 June 1975	Yes
Paish, Howard & Associates	4,000.00	December 1974	No
Parkinson, Dr. G. V.	4,800.00	21 February 1975—30 April 1975	Yes
Parkinson, Dr. G. V.	5,780.00	15 July 1974—7 October 1974	Yes
Parks, R. M.	1,500.00	14 May 1973—30 April 1974	No
Parsons, T. R.	12,523.08	1 July 1974—15 March 1975	No
Pearse Bowden Economic	1,499.43	1974-1975	No
Pearson, J. R.	4,800.00	3 July 1973—1 October 1973	No
Peck, Stephen	7,000.00	7 October 1974—31 March 1975	No
Pond, S.	2,250.00	1 April 1974—15 August 1974 (10 to 20 days)	No
Project Management & Design Ltd.	28,115.00	May 1973—31 March 1974	No
Quayle, Dr. D. B.	400.00	Two months 1974-1975	No
Rao, D.B.	4,600.00	1 July 1974—31 August 1974	No
Reid, Crowther & Partners	8,000.00	18 February 1974—20 March 1974	No
Research & Productivity	16,251.80	1974-1975	No
Robinson, Roberts & Brown	4,000.00	September & October 1974	No
Rogers, J.	7,600.00	1 April 1974—30 November 1974	No
Ross, R. S. & Partners	3,554.00	April 1973—May 1973	No
Sancho, N. G. F.	4,900.00	1973-1974	No
Senelco Ltd.	12,500.00	1 February 1974—31 May 1975	No
Sherbaniuk, J. A. & Associates	61,123.78	1 July 1974—30 April 1975	TB 730106
Slaney, F. F. & Co.	21,991.00	Three days (1974-1975 open)	No
Smith, Robin	525.00	September 1974—December 1974	No
Stone, G. A.	1,500.00	Three months	No
Swyer, W.	4,400.00	15 July 1973—15 August 1973	No
Takatsuka, Eitaro	13,200.00	April 1974—March 1975	No
Tan, W.	15,000.00	10 June 1974—31 May 1975	Yes
Taylor, H. A.	4,033.00	18 February 1974—15 March 1974	Yes
Thomson, D. W. & Co. Ltd.	3,197.00	Completed for 31 March 1974	No
Topham, Dr. D. R.	22,500.00	1 November 1974—15 September 1975	Yes
Topographics Ltd.	1,100.00	1974-1975	No
Underwood, McLellan & Associates	96,466.00	1 March 1973—31 March 1974	No
Underwood, McLellan & Associates	67,010.00	1 April 1974—March 1975	No
Underwood, McKinley, Wilson & Seith	9,934.00	28 May 1974—25 June 1974—26 Sept. 1974—8 Nov. 1974	No
University of British Columbia	3,203.00	1 April 1974—31 March 1975	Yes
University of British Columbia	6,659.00	1 April 1974—30 March 1975	Yes
University of British Columbia	4,000.00	1 April 1974—31 March 1975	Yes
University of British Columbia	75,000.00	Two months 1973-1974	No
University of New Brunswick	4,000.00	April 1973—September 1973	No
University of Victoria	1,248.00	1 February 1973—21 February 1973	Yes
University of Washington	1,500.00	1973-1974	No
Wall & Yamahoto	2,000.00	April 1973	No
White, Alan	2,500.00	Two months 1973-1974	No
Wong, Shaw-King Emmy	1,560.00	10 Sept 1973—14 Dec 1973—7 Jan 1974—29 Mar 1974	Yes
Wright Engineers	7,205.00	30 November 1974 & January 1975—March 1975	No

Return tabled.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, on the same point of order I should like to draw the attention of the parliamentary secretary to question No. 3111. That question was transmitted to the appropriate office for the order paper prior to October 14 and it appeared on the order paper on October 14. I wonder if the parliamentary secretary would look at that question specifically. The information required is factual and should not be difficult to obtain.

Mr. Blais: Mr. Speaker, I am informed that the answer is expected next week.

GOVERNMENT ORDERS

[*English*]

MARITIME CODE ACT

MEASURE TO PROVIDE A MARITIME CODE FOR CANADA

The House resumed from Friday, November 21, consideration of the motion of Mr. Lang that Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a long, deep and abiding commitment to this issue because of my background in Vancouver, my service during the war in Coastal Command in the air force, my living abroad representing Canada, not to mention, of course, my having been born in Saskatchewan. I am sorry that the other members of the Saskatchewan contingent are not here.

Mr. Goodale: They are here.

Mr. Munro (Esquimalt-Saanich): From my present residence I look out over one of the great shipping lanes of the world. I deny there is a conflict of interest here. I would suggest instead there is a confluence of interests — everything comes together from my background to give me an interest, a real true interest in the Darling report.

We have waited at least five years for this legislation. The Darling report was issued in October, 1970, and here we are in November, 1975, five long years later. For years many of us have been advocating what this legislation imperfectly proposes — basically reserving the coastal trade for Canadian vessels and a code covering certain aspects of maritime matters.

Our delight at getting a final look at positive legislation therefore is tempered as soon as we read the bill, by a growing realization that the provisions are no more than a partial answer to our long felt needs — the long felt needs of Canada.

I suggest, therefore, Mr. Speaker, that this is no more than a promise that "there will be ships on the slips by and by". Unfortunately, we are now dealing with only one of the matters related to our merchant marine.

Let us start by looking at some of the recommendations in the Darling report to see how they are matched in the legislation. I suggest that recommendations Nos. 2, 3, 4, 10, 12, 13 and 15 are dealt with in one way or another in the legislation.

No. 1 deals with the coasting trade; No. 2 with the coasting trade extended to something beyond the normal commercial operation; No. 3 with the continental shelf and territorial seas, bringing us up to date in terms of marine multilateral negotiations; No. 4 with a very dangerous area and one we have been putting up with long enough and one that I thought we were going to get rid of, that is, issuing permits to non-Canadian flag bearers — I shall be returning to this; No. 10 is related in many respects to No. 2, exploitation and exploration around our shores; No. 12 to government operated marine insurance which unfortunately we do not see much of in this bill, and No. 13 dealing with steamship inspection which I understand we are promised in another edition of this bill.

Judging from the performance of the government in fulfilling its promises, I wonder if we are going to have to wait another five years for two more "books" as they are being called. I hope I am wrong in my suspicions, but I will continue to hold them until I am proved wrong.

Recommendation No. 15 in the Darling report relates to the Alaska Panhandle and is of particular interest. That is not being dealt with in the legislation, and I would hope the parliamentary secretary would be able to nudge the other member of the Saskatchewan triumvirate dealing with the merchant marine in order to let us know whether there are any conversations going on relating to this recommendation, in which it is suggested that Canada should have some special privileges of access through the Alaska Panhandle.

I mentioned that I am distressed the minister is not here but I hope the parliamentary secretary will take note of the matters that are going to be raised, because we have very real concerns. There are gaps in this legislation that we want to draw to the attention of the government. But we are not going to delay the bill unduly because we think it should get to committee where we will be able to explore matters more fully.

● (1520)

Time will permit me to deal with only one or two important matters raised in the legislation, or excluded from it. I shall concern myself with the matters of crewing, and cabotage. The code, included as a schedule at the end of the bill, cannot be considered as complete. I wonder of what use an incomplete maritime code can be? What is such a code if it is not complete and does not deal with certain important matters?

Conspicuous by their absence are provisions dealing with inspection services, standards of shipbuilding, requirements for icebreaking in various areas, and requirements for crewing. If my memory serves me right, the parliamentary secretary suggested that bills we can expect later will deal with crewing and shipbuilding standards. I wonder if these will come under new paragraph Bill-74, or under some completely different code. Frankly I think a maritime code should be just that: There should be just one maritime code, not several, for the sake of simplicity, so that it is available to masters and shore workers, who may know exactly what is involved.

It has been suggested on a number of occasions that we should not be talking of a Canadian merchant marine because of past difficulties we experienced. When a Canadian merchant service existed there was a good deal of trouble with crewing. I draw to the attention of the House that the major crewing union which would be involved with the merchant service has undertaken not to engage in strike action for ten years. According to *The Canadian Sailor* of July 28, 1975:

> The Seafarers International Union (SIU) is willing to sign a 10 year, no-strike agreement with Canadian flag operators for ships in high seas service.

It follows, I think, that the union will extend the ten year no-strike agreement to operators of Canadian flag ships sailing in coastal waters. This brings me to my next point.

Not long ago the attorney of the SIU sent the former minister of transport a letter protesting against the appearance in our coastal trade of a ship bearing a name well known in Russian literature, *Alexandr Puskin*, which planned to operate summer cruises wholly within the territorial limits of Canada. Departures were scheduled from Montreal on August 10 and 17. And they happened.

This, of course, raises the problem of cabotage. I looked for the meaning of cabotage in the dictionary on the Table, but found that the origin is unknown. I then consulted another dictionary in the library, and found that cabotage is derived from the old French term "cabo", which comes from the Spanish cabo meaning cape. If we go back, we find that it means from cape to cape along the shore line; hence, cabotage. That is how sailors sailed in days of old, from cape to cape. That is the meaning of cabotage. But cabotage has come to mean more than this. It applies to the transport of passengers and freight by sea and air. The rule in the air is rigorously defended.

A foreign air carrier cannot embark a passenger in Toronto and drop him in Winnipeg. That privilege is open to the Canadian flag carrier only. That is cabotage. The foreign air carrier can pick up a passenger in a foreign country and drop him in Winnipeg or Toronto, but cannot carry a passenger between two Canadian points. The principle of cabotage is involved.

I say that our rights to our own maritime cabotage are being invaded by foreign flag vessels. Ministerial permits may be granted to foreign flag carriers who wish to indulge in this trade. I say we ought to encourage the construction of Canadian vessels, and let them engage in the cabotage business. They alone should carry freight and passengers in our waters.

Some foreign flag vessels try to circumvent the problem by calling, during their travels in our waters, at non-Canadian ports. Let us say, if they try to respect the principles of cabotage, that they go from Montreal to St. Pierre and Miquelon, down the south shore, then back to St. Pierre and Miquelon, and then to another Canadian port. They can claim that they interrupted their journey by calling at non-Canadian ports. This is how it is being done.

Let me put on record the route the *Alexandr Puskin* followed last summer. The ship engaged in cabotage within our waters. The route was: Montreal, Quebec, Bagotville, Percé, St. Pierre and Miquelon (weather permitting), and back to Montreal. The *Alexandr Puskin* was not the only ship to operate in our waters last summer. The Danish vessel *M/V Discoverer* did the same on our Great Lakes. Its route was: Montreal, Toronto, Welland, Windsor, Parry Sound, Mackinac, Chicago, and back. This is an affront, a denial of cabotage which ought to belong to the coastal state.

This particular legislation does not deal with cabotage, in the sense of reserving such rights for Canadian flag vessels, and therein lies one of the great defects of the bill.

Clause 8(3) defines our coasting trade. It says:

> . . . 'coasting trade of Canada' includes
>
> (a) the carriage of goods by water or by land and water, the carriage of passengers by water land towage,
>
> (i) from one port or place in Canada to the same or another port or place in Canada.

That is a perfectly good definition. On the other hand, clause 8 subclause (5) reads:

> Where the Governor in Council by order issued under the authority of this subsection, so declares, the coasting trade of Canada does not, during such period of time as is specified in the order, include such of the following as are specified in the order,
>
> (a) the carriage by water of goods or of such classes of goods as are specified in the order,
>
> (b) the carriage by water of passengers, and
>
> (c) towage . . .

Therefor we know what the coasting trade is, and is not. Clause 11 really puts the cap on it. It says:

> (1) Upon application made to it by a person resident in Canada who wishes to utilize the services of a particular ship, other than a Canadian ship, in the coasting trade of Canada, the Canadian Transport Commission may issue a licence . . .

I take it that the "person" referred to means a legal person or entity. Under the provisions of clause 11 the issuance of a licence is to be related to "the public interest". The question is, who will define "the public interest"? Obviously it is in the interest of the operator of a foreign flag vessel who wishes to capture our cabotage trade to urge that it is in Canada's public interest for him to be allowed to do so. Where is there encouragement for Canadian flag vessels to operate in this fashion? The *Stella Maris*, under Greek flag, also operated in the Great Lakes last summer.

We encounter the same difficulty on the west coast. We have only one Canadian flag vessel on the west coast. We have a Norwegian flag vessel *The Royal Viking* on the west coast doing the Victoria, Juneau, Skagway, Sitka, Prince Rupert and Vancouver route. The *Prinzendam*, under the Dutch flag and with an Indonesian crew, is doing Vancouver, Prince Rupert, Tracey-Arm, Juneau, Skagway, Glacier Bay, Ketchikan, Alert Bay and Vancouver. The only vessel that is of Canadian registry is the *Princess Patricia* which does this same route. Surely there is some way of dealing with this problem. It has to be tightened up. I am afraid that clause 8, subclause (5) and clause (11) do not deal with it very satisfactorily. Surely the public interest as mentioned in clause (11) is that these cruise passengers in particular be carried on Canadian ships, built in Canada and crewed by Canadian crews! That is "the public interest" in any law that I want to have anything to do with here.

● (1530)

It has often been said, and it has been said to me privately and in letters I have received from some of my constituents, that it would be too costly to build and man our own ships. However, what are the real costs in Canadian terms? I quote very reliable figures. Last year Canada spent $2.7 billion, paying it to foreign shippers, in shipping charges for all categories of Canada's exports and imports. That is the real cost in Canadian terms, $2.7 billion. These funds should have remained in Canada. They should have been paid to Canadian carriers to carry our goods abroad and to bring to this country at least some of the goods we want to consume.

I am not alone in advocating this form of activity for Canada which, after all, is part of Canada's tradition. Not only can I lay claim to having been born in Saskatchewan, but I can trace my origin through my mother to Nova Scotia.

Mr. Forrestall: Even better.

Mr. Munro (Esquimalt-Saanich): I have great faith in the breadth of this dominion from coast to coast. In Nova Scotia we used to build some of the great traders of the world for the tea trade and the grain trade. Great racers were built in Nova Scotian yards. We built great ships on the west coast as well.

I suggest that the minister get in touch with the Minister of National Defence (Mr. Richardson). On February 25 of this year the National Council of the Navy League of Canada submitted a brief to the Minister of National Defence in which they made a great point of this matter. I quote from the submission:

> Recent developments are dictating a change in this attitude (towards Canadian registered shipping) because of our extensive offshore continental shelf areas, rich in mineral, oil and fishery resource potential, areas totalling a third the size of the land mass. With the depletion of the land based resources throughout the world these offshore resources become not only more valuable to Canada but increasingly more attractive to other nations and multi-national corporations. We must be alert to the fact that conflicts in the future, as in the past, will tend to generate around the needs for, and control of, essential resources; food and raw materials for industry.
>
> It is the Navy League's contention that the value and importance of this offshore resource wealth has not been adequately recognized by the Canadian public or the government. The interests are fragmented and dispersed through a number of organizations . . .
>
> No longer simply a capability to defend one's country from attack from across the oceans, seapower is now recognized as the capability to use the oceans in any way required to further the national aims of the country, through military, economic or political strength. It calls for strong, effective maritime forces; a modern, efficient merchant marine not subject to foreign control; a healthy fishing industry,—"

That is a submission made to the government. I do not know whether a copy went to the Minister of Transport (Mr. Lang). If not, I have at least had an opportunity to draw it to his attention.

We can only regret that there has been such a long delay in bringing forth this measure. Our merchant marine has virtually disappeared through a lack of nutrients. I would like once again to put something on record. I find in this House that unfortunately you have to put on the record every four or five months facts which somehow or other come to be neglected.

In 1948 Canada had 203 dry cargo merchant vessels of 10,000 tons or more. In 1958 this was down to five and some of them, I can assure you, were nowhere near 10,000 tons. In the period 1968 to 1972, when this government was in power, we lost even those three. We lost the fleet we had in 1968. All that remains are three vessels of the 5,000 ton class.

Mr. Baker (Grenville-Carleton): We lost more than that in 1968.

An hon. Member: Yes, you lost the election.

Mr. Munro (Esquimalt-Saanich): As my colleague says, we lost a great deal in 1968. We hope that all is not lost, especially now that the 200 mile-continental shelf concept is coming more and more to the fore in our thinking. It is most important that we act now in this area, with the widening area over which we expect to exercise jurisdiction, not just in fishing terms, but in terms of our trading practices.

As a major trading nation, a position we hold even if we were rejected as a participant in the Rambouillet conference, we need our own merchant fleet. Here is a strange thing. Your Honour will be interested to hear this as well as the members of this House. We Canadians are offering Algeria technical assistance through CIDA to create a merchant marine. That is what CIDA is up to. It has the gall, I guess that is the right word—

An hon. Member: Temerity.

Mr. Munro (Esquimalt-Saanich): —the temerity to offer technical assistance in the construction of a merchant marine to Algeria. When I first heard that I just did not believe it. I wanted to visit this school of merchant marine which was half way down the coast between Algiers and the Moroccan border, but unfortunately I did not have the time to get there. We seem to pretend that we know something about the merchant marine. However, it has to be said that this government that has decided to help the Algerians does not want to help Canadians.

As to our ability to design and build our own ships, I have already referred to the shipbuilding tradition on both coasts. I have not mentioned the need of protecting and ensuring our sovereignty in the Arctic which shipbuilders on both coasts are prepared, ready, and able to do. I suggest that we have a great number of imaginative ship designers. One of the companies in my constituency has been working for some time to have organized at the University of British Columbia a school of naval architecture and marine engineering. They have been working on this for two or three years because of the belief that technology in this area, as in all others, cannot be bought economically. It has to be developed at home to prove really worthwhile. If you import, you are going to pay through the nose for it. We do have the native genius here. I mentioned the other night something we have in the way of car design. But we also have native genius in ship design also just by virtue of the fact that we are a maritime nation with extended coast lines. This project to create at the University of British Columbia a school of naval architecture lacks some $50,000 to get it going.

● (1540)

An hon. Member: Get it from the Algerians.

Mr. Munro (Esquimalt-Saanich): We might go to the Algerians. They, after all, as I understand it, are one of the OPEC nations. I will collect a few members of the House and perhaps we will set off as a delegation at Easter time, or at Christmas time, and see if we can raise this $50,000 from the Algerians for this school of naval architecture in British Columbia.

To those who doubt the imaginative ability of our shipbuilding firms I suggest that the next time they are in the library they should take a look at a copy of *Canadian Shipping and Marine Engineering*, which I receive regular-

ly. I enjoy looking through it. There are some extraordinarily imaginative designs for ships and maritime structures to be found in its pages. One of the designs which was prepared recently brought a ferry called the Chi-Cheemaun into being. My hon. friend from Parry Sound-Muskoka (Mr. Darling) may well have been aboard this particular ferry vessel. It was designed in my riding and built in Georgian Bay, I believe in his riding. Chi-Cheemaun, is the Ojibway word for "big canoe". In its modern form it is a ferry incorporating advanced first class technology and imaginative design. I am delighted that the opportunity should occur to pay tribute to the firm concerned.

There are many other things to be said about navigation and tanker routes. Time will not permit me to go much further or I might deal with the new products which are necessary to clean up polluted waters and preserve our maritime heritage.

Much has yet to be said about other aspects of the bill, for example about the centralization of the registry and the difficulty this is likely to cause to those living in the outports. One of my hon. friends may be addressing himself to that aspect. However, having talked principally about cabotage, which really offends me as a Canadian, my suggestion is that we terminate our comments quickly and get the bill to committee where hon. members can call witnesses and examine it in detail. We certainly do not plan to hold it up.

Mr. Anderson: Mr. Speaker, I wonder whether the hon. member for Esquimalt-Saanich (Mr. Munro) would mind repeating his remarks regarding Alert Bay. I heard the name mentioned but I did not get the import of his comments.

Mr. Munro (Esquimalt-Saanich): I would be happy to oblige the hon. member. The vessel to which I referred was the *Prinzendam*, a Dutch registered vessel of the Holland-America line, with an Indonesian crew. It carried out a couple of cruises last summer from Vancouver to Prince Rupert, Tracey Arm, Juneau, Skagway, Glacier Bay, Ketchikan, Alert Bay and Vancouver on the way back. It was simply cabotage. You can see that from Ketchikan to Alert Bay is one thing. That is not cabotage in the sense we have been talking about because that is from a foreign port to a Canadian port, but if they picked up passengers in Alert Bay to deliver them in Vancouver they were engaging in cabotage, an enterprise which, as defined in this bill, should be carried out by a Canadian flag carrier.

Mr. Hugh A. Anderson (Comox-Alberni): I thank the hon. member for Esquimalt-Saanich (Mr. Munro) for the information he has given me, Mr. Speaker. Alert Bay harbour has been used quite extensively by ships plying between California and Alaska. They drop anchor in Alert Bay since there is a large community of native people there. It has become quite a tourist attraction for American ships travelling along the coast line. The practice also supplies much needed revenue to that community.

I do not wish to take up very much time this afternoon, but I do wish to say I favour the replacement of the myriads of directions which the Maritime Code is intended to supplant. The proposal to incorporate some of the recommendations of the Darling Report is, I believe, progressive. The provisions defining Canadian ships and relating to the plying of Canadian waters by Canadian ships except where special licences have been granted, constitute a step in the right direction. I hope, however, that we do not get into the situation in which the United States found itself some time ago following the requirement that ships plying between United States ports must carry United States cargo.

An hon. Member: The other way round.

Mr. Anderson: In other words, lumber, for example, sent from one coast to the other has to be carried in American ships, which is very expensive. I hope we do not get into that kind of situation.

Mr. Forrestall: What's wrong with that?

Mr. Anderson: The cost of shipping in the U.S. is one reason why we are able to compete with American lumber on American markets. It is because we are able to ship more cheaply than they are.

I should like to discuss clause 15 on page 56 where the following item is to be found, numbered B11-15:

> Every ship that exceeds 10 metres in length and is owned by a person or persons each of whom is qualified to own a Canadian registered ship shall be registered in accordance with this code.

The succeeding provision covers vessels which do not exceed 10 metres in length and provides for their registration as small craft.

I thought that perhaps some of the hon. members from the east coast, or possibly some members of the opposition parties who come from the west coast would object very strongly to the proposition put forward in clause 24 on page 59 which states:

> A central office for the filing of documents relating to ships owned by persons qualified to own Canadian ships shall be established in the national capital region described in the schedule to the National Capital Act.

I am not sure what will be the reaction to that provision of hon. members who come from the east coast or the west coast, but I would point out that already we have in Vancouver, Victoria, and Prince Rupert three registry offices and, honestly, I do not see the necessity of shutting down those three local regional offices and replacing them by one office in Ottawa. It is rather like deciding that all British Columbia motor vehicles should be registered in Ottawa. If hon. members would check the registry in British Columbia, for example, they would find out that the number of craft registered there exceeds several thousand.

It appears it would be necessary under this proposal to send the relevant information to Ottawa by telegraph or mail, or some other means, where presumably it will be available for use at points which are some 3,000 miles away. If someone could explain to me how this would create a better system than the regional system we already have, I would appreciate it. I have seen many situations of a similar nature where regional matters have been shifted to Ottawa when they could have been handled very well locally, and I think this is a perfect example.

● (1550)

I thank the House for having had the opportunity of putting this matter in front of the House prior to this bill going to committee and becoming law. I honestly think that if at some time in the future a central registry is established we will have to consider legislation to turn matters over once again to regional offices. I am sure that the three regional offices in British Columbia are much more capable of handling registrations for the province of British Columbia than Ottawa.

I trust I shall have the support in committee of members of the opposition in either amending or deleting this particular section of the bill. It is not the most important section, but it is a necessity that the regional area offices are kept open. Surely it should not be a case of meeting the convenience of the government. We are not living in a state that does things only for the convenience of government; I hope we are living in a country where things are done for the convenience of citizens. With that, Mr. Speaker, I thank hon. members of the opposition for their support and I trust we will be able either to amend or delete the section to which I have referred.

Mr. Deputy Speaker: The hon. member for Timiskaming (Mr. Peters).

Mr. Baker (Grenville-Carleton): We will now hear from a good inland sailor.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, members from the east and west coasts sometimes forget that Ontario has a salt water coast as well.

Mr. Knowles (Winnipeg North Centre): So has Manitoba.

Mr. Peters: The use we have made of this salt water coast has been indicative of the interest other members from the maritimes have shown toward the utilization of that coast. Now that they have come to appreciate some advantages in their own areas they may be more willing to give some assistance to Manitoba and Ontario which share a common salt water coast.

Coming from an inland area I should like to say I am pleased to support this legislation. We have been developing our sea coast for some 20 or 25 years, and I hope we are now in for a number of changes, this legislation being one of the first and necessary steps that have to be taken.

During the war, and in the period leading up to the war, Canada had a large number of vessels in service for interport trade. It also had Liberty ships, as well as a number of other ships of a similar nature engaged in international service and flying the Canadian flag. As a matter of fact Canada was starting to give credence to the desire to be a third power nation, a nation aware of its trading destiny and of the necessity for a merchant fleet to handle its trade.

Canada has the largest, or certainly one of the largest coast lines in the world. We also are one of the biggest trading nations. We import and export about $15 billion worth of trade a year. To the best of my knowledge there are only three ships of Canadian registry sailing in international waters. For a country with the longest coast line in the world and with one of the largest trading patterns in the world to have three miserable ships flying the Canadian flag must be a disgrace even to this government.

Only recently has it become possible for us to look at this situation in an impassionate way. It was C. D. Howe who, in large degree, was responsible for building up the Canadian Liberty ship fleet. It was also necessary for financial reasons to get rid of that fleet. He was well aware that all through the history of merchant navies they had to be subsidized, from the Phoenicians, the Egyptians, the Romans on. Since these fleets reflected the image of these people to others, they also became part of their development. In the same way, Mr. Speaker, these ships were subsidized when they were needed during the war. However, after the war we were not willing to continue the subsidies so our shipping fleet was dispersed.

Interest in the development of a Canadian merchant marine has been highlighted by an organization that has received a lot of comment in this House, most of it unfavourable. However, these comments were seldom backed up and there has been much hysteria about this organization. I am referring to the SIU. Some years ago a member of the House who was then the member for a riding in Montreal, the honourable member for Skeena, and myself were asked to attend a conference on safety on the Great Lakes. Since that time the Montreal member become a member of the cabinet, and he is now the member for Ottawa-Carleton (Mr. Turner). At that time, however, he was parliamentary secretary to the minister of transport, and he invited the then honourable member for Skeena and I to go with him to this conference.

The conference was called by the SIU and was attended by marine workers, the pilots association, a number of employee agencies, as well as all shipping companies operating on the Great Lakes. Safety conditions on the lakes were so bad that these bodies got together and agreed at the meeting to establish a ship-to-shore radio safety protection system. But who opposed that, Mr. Speaker? The Department of Transport. Shortly after the parliamentary secretary of that day came back to Ottawa, the deputy minister of transport was moved to another portfolio. That has been my experience of civil servants attached to the Department of Transport, and it has also been my experience that most government members were not really interested in taking action to deal with shipping problems; they merely discussed them.

Over the years representatives of the SIU came to Ottawa on a regular basis. They talked of the Darling report and of the need to control coastal trade in Canada, of having Canadian goods carried in Canadian bottoms that flew the Canadian flag and were manned by Canadian crews. They were very interested in this for a very selfish reason, if for none other. If these were Canadian crews operating under the Canadian flag, they would be able to organize them.

● (1600)

I think there was a much greater interest than that which involves something we really have not thought about very much. If we are to have a coastal trade we must build ships somewhere, and we are not building ships at this time.

These people were joined on a number of occasions by other organizations which wanted to implement the Darling report. They came to us regularly. Finally, Leonard McLaughlin, who was the president of the SIU, established an office in Ottawa. He was one of the few people that openly lobbied the government strongly on the basis of building more Canadian ships, and having more Canadian seamen operating our ships under the Canadian flag.

I am surprised to learn that the Canadian Pacific operates under the Liberian flag, the Panamanian flag, or the flag of some other country. It does not operate under the Canadian flag.

Mr. Munro (Esquimalt-Saanich): Not passenger vessels.

Mr. Peters: How many passenger boats do they have? They have a few ferries kicking around and one or two passenger ships, but they operate a lot of ships and not under the Canadian flag. The Canadian National Railways operates ships through subsidiary organizations in this country, but not under the Canadian flag, and this is really the Canadian government which does not in fact support the idea of having our own Canadian merchant navy.

Mr. Munro (Esquimalt-Saanich): Merchant marine.

Mr. Peters: There has not been much support in this regard from the government. There has been some incidental and continuous support, sometimes vigorous, from some members of this House, but we as representatives of the Canadian public generally have not really been in favour of the idea of establishing a merchant navy.

An hon. Member: Speak for yourself.

Mr. Peters: There have been some people dedicated to this and I would include among them Leonard McLaughlin, a former president of the SIU, and Mr. Gralewicz, the president at the present time. They have carried on this type of lobby for the development of a Canadian merchant navy.

Mr. Munro (Esquimalt-Saanich): A Canadian merchant marine.

Mr. Peters: Coming from inland waters I mix up navy with marine, but it seems to me they are the same thing. I suppose there is a difference. This reminds me of an occasion when I negotiated a contract for a plywood company. I kept talking about veneer and they kept talking about plywood. They were always upset when I talked about veneer, and it took me some time to find out that veneer was not necessarily plywood, but plywood was always veneer. I learned it the hard way, and I hope perhaps I will learn something about this idea of a Canadian merchant navy.

In this bill we are providing a grandfather clause to the Commonwealth agreement for a period of five years. We will not be able to move into Canadian registry unless we have some ships, and we had better start building those ships right now. If we do not I can foresee what the government will do. It will offer permits to anybody anywhere who has got a ship to come into our waters, and it will not demand any money for the permits. It will not demand that Canadian crews man those ships, and it will not demand that the Canadian flag be flown. The Government will not demand that our labour standards be upheld on those ships.

These ships will still be operating under the Liberian or Panamanian flags, or any other runaway flags of the world, because then they can hire crews without paying the required wages, and if they kill somebody because of unsafe conditions they can just dump him overboard and nobody will ask any questions. We will still be operating under those conditions unless we implement another part of the Darling report which recommends that we establish a merchant shipbuilding facility.

As the hon. member for Esquimalt-Saanich (Mr. Munro) has mentioned, Canadians have done good design work. Canadians will always be remembered for their ability in respect of marine shipbuilding. We have done some excellent shipbuilding in Midland, as the member has suggested, and I am sure there are some ships being built on the west coast and on the east coast. Unfortunately it is not the Canadian government or the Canadian industry that is building them.

No matter how much members of this House may desire it, I suggest these ships will not be built or operated by private industry alone. This requires a combination of private industry and government. A considerable amount of money will have to be put into the shipbuilding industry by the government, and I suggest this would be worth while.

In concluding, let me say that we have not mentioned containerization or our inability to get into that field. We need private facilities operated under government auspices in order that we can provide a merchant marine with the shore facilities. I have not referred to northern services, but if we are not to lose our Arctic potential or, in fact, our sovereignty, we will have to put ships into that area.

Let us remember what has happened to our fishing fleets. We cannot protect them. We do not have enough ships for surveillance or to stop foreign fleets from fishing offshore without our consent. We are not able to supervise this because we do not have the ships. We will not be able to maintain our sovereignty in the north until we establish a shipbuilding industry that will provide the ships we need under the Canadian flag.

As a Canadian I certainly hope I will live long enough to see a Canadian merchant marine flying the Canadian flag, or whatever the flag is that ships fly at sea. It is a little different because it is a seagoing flag. I hope they will fly the flag that will carry across the world, along with our goods, the reputation of Canada as a trading and a seagoing nation. We have large coastal areas in Canada, and three ships will never provide the required merchant marine services of the Canadian people.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the introduction of the Maritime Code, Bill C-61, which I believe was initially introduced on July 23, 1973, and on which the government has been stalling ever since. I welcome the bill because of my background and as a former ship owner in my native town of Lunenburg, Nova Scotia.

I can remember growing up in that area and watching the original *Bluenose*, the *Haligonian* and some 100 other deep-sea bankers, as we called our sailing schooners, as they raced out of Lunenburg Harbour to our continental shelf in search of the cod and other species which were utilized in the area. Later on I spent some time on my own ships, and I say to you, Sir, that anyone who has ever smelled the tar and oakum on the deck of a ship, or felt the ship creaking and rolling under his feet, will never quite forget that particular experience.

This bill is basically an overhaul of the regulations covering Canadian shipping, the first I believe since the 1930's. It is really the first overhaul since that time, because then we largely adopted the United Kingdom statute. This housekeeping bill is really not complete, and we on this side of the House are still awaiting the additional shipbuilding assistance legislation that has been promised us now for several years.

● (1610)

There are few members in the House who can speak with authority on this bill, a bill which contains a total of 84 pages and which covers not only the Canada Shipping Act but other acts as well. For this reason we on this side of the House want to be assured of the fullest participation and involvement of Canadian shipping interests when the bill goes to committee. Such groups as the Dominion Marine Association, the Canadian Shipbuilding Association, the Canadian ship repair group, as well as representatives of the unions concerned with shipbuilding should be invited to appear before the committee and give the members the benefit of their views and their knowledge on this particular subject.

As I said a moment ago, this bill is a rewrite of the Canada Shipping Act, and in clauses 1 to 8 are the technical explanations. Clause 8 states:

(1) Except in accordance with a permit issued pursuant to section 10 or a licence issued pursuant to section 11, no ship other than a Canadian ship shall engage in the coasting trade of Canada.

In other words, this section preserves the coasting trade for Canadian ships in accordance with the declaration of the former minister of transport on September 24, 1973. He gave the British Commonwealth Shipping Agreement one year's notice that he would give notice of withdrawal at a later date. In the spring of 1974 he finally gave that notice, so in the spring of 1975 we were finally on our own. The former act, as hon. members are aware, gave so-called Canadian recognition to any ship of any country in the British Commonwealth Shipping Agreement, such as Hong Kong, Singapore, Malaysia, etc. So in this respect the legislation is finally being brought up to date.

Clause 8 goes on to state:

(2) For the purposes of this section and sections 11, 12, and 14, a "Canadian ship" means

(a) a ship built and registered in Canada, or

(b) a foreign built Canadian registered ship upon which full custom duty has been paid.

The term "the coasting trade of Canada" includes:

(a) the carriage of goods by water or by land and water, the carriage of passengers by water, and towage,

(i) from one port or place in Canada to the same or another port or place in Canada,

[Mr. Crouse.]

(ii) between a port or place in Canada and any marine structure that is engaged in exploration for or exploitation of natural resources in accordance with a permit or licence issued pursuant to an act of parliament or of the legislature of a province,

This clause appears to me to protect the trade which may exist for Canadians between the mainland and any offshore drilling rigs operating off our coast on our continental shelf. Unfortunately, however, the conflict of jurisdiction over these resources between the provincial and the federal governments, as well as the conflict in the grey area called Georges Bank between the government of the United States, the governments of Maine and Massachusetts, and the Canadian government, have seriously cooled the initiative previously shown by the major oil companies in developing any resources of oil or gas which may exist in this area.

When we learn, as we did recently, that our supplies of oil and gas are drying up and that shipments to the United States must be curtailed by one third, it seems to me that the government should takes steps immediately to resolve the ownership problem on offshore resources. Every effort should be made to determine the proper authority which should receive royalty payments from oil and gas discoveries. The heads of the oil companies have stated publicly that they are willing to pay royalties to someone, but they are not willing to become involved in a legislative hassle between the provincial governments in Atlantic Canada and the federal government in Ottawa, or in a dispute between Washington and Ottawa over ownership of offshore resources.

In my opinion this dispute must be resolved quickly, or otherwise subclause 8(2)(a) and clause 9 are meaningless for we will have no marine structures engaged in the resource development off our coast which will require the services of a Canadian ship. It is as simple as that. We believe from tests made that there are resources there, but the oil companies are mute and have withdrawn their oil drilling rigs from the area. They are obviously waiting for a sign, and the onus is on the government to provide that sign of encouragement which means we will proceed to examine, study, and develop any possible resource we may have in that area.

Clause 10 deals with those whom we exempt. It reads:

1. Upon application made to it by the owner of a ship, the Canadian Transport Commission may issue, without charge, a permit authorizing the ship to engage in the coasting trade of Canada for a period specified in the permit not exceeding twelve months from the day on which the permit is issued.

However, no permit shall be issued unless the applicant establishes to the satisfaction of the commission that on September 24, 1973, and at all times between that date and the day on which the application was filed, the ship to which the application relates was registered in a Commonwealth country, and in the twelve month period immediately preceding September 24, 1973, the ship was lawfully engaged in the coasting trade of Canada. However, there shall be no permit renewals for a date later than April 26, 1980.

Currently we exempt hundreds of ships a year from the provisions of the present act. We had been dishing out exemptions at a greater rate since this spring. However, the former minister of transport said in 1973 that there would be a five year-phase-in period, and in this period

so-called grandfather rights would be recognized. In my opinion this pledge should have been accepted when this legislation was drawn up, and in the period between now and 1978 the government should have laid down the guidelines which would lead to the construction of sufficient Canadian ships to look after the requirements of Canadian industry.

According to the Minister of Industry, Trade and Commerce (Mr. Jamieson) last year Canada spent $2.7 billion on shipping charges for all categories of exports and imports. More than $1.5 billion of that amount is reliably estimated to have been directed to the agents and operators of foreign ocean shipping lines which serve our ocean shipping needs. Unfortunately—and I say this with deep sincerity—the vast bulk of this trade is carried in ships owned, operated, crewed by and paying taxes to and earning profits for non-Canadian entrepreneurs and foreign national governments. More to the point, there is no lasting employment, investment or increased manufacturing activity flowing to Canada from this vast expenditure of our currency. It is surely worth while considering the scale of the operation to examine why Canadian firms and Canadian ships do not participate in this trade.

I believe it is necessary for us to look at the arguments for as well as those against the establishment of a Canadian flag fleet capable of participating in the international seaborn trade. There are many arguments which can be put forward on behalf of establishing a Canadian merchant marine. After all, a ship is like a small city. As I said at the beginning of my speech, I grew up in an area where shipbuilding is of primary importance. A ship requires heat, light, and water, and the installation of these facilities alone provides employment to many different trades.

Ship construction provides jobs in the shipyards, and once completed a ship is constantly providing employment to the ship repair industries, to the crews employed to man her, plus taxes to provincial governments and to federal authorities for the supplies that are required to keep a ship operational. In fact, I know of few endeavours which would stimulate our economy in a manner comparable to shipbuilding.

● (1620)

Mr. Munro (Esquimalt-Saanich): And it's pollution free.

Mr. Crouse: As my colleague, the hon. member for Esquimalt-Saanich (Mr. Munro), states, it is a stimulation to the economy which is pollution free.

We saw this happen in Atlantic Canada when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister of this country. At that time the Conservative administration of the day decided as a national policy to stimulate the shipbuilding industry by the payment of subsidies on fishing trawlers.

The shipyards are still there in Atlantic Canada, still in central Canada, and still on the west coast of this country. All that is needed is a viable policy by the government which will encourage entrepreneurs and shipping minded individuals once again to invest in the construction of deep sea ships. If this action is not soon taken, we will lose the skills which we have to build ships, and then our later stage will be much worse than our present one.

Opponents of the Canadian flag fleet claim there is no requirement for a Canadian flag fleet. They state that all is well, and that we have no need to be apprehensive. Needless to say, those who most vigorously oppose such a fleet are the agents in Canada of those very foreign fleets now serving us. Being business minded they quite naturally look with a jaundiced eye upon the prospect of competition from any quarter. However, apart from the facts of commerce, everyone involved in the shipbuilding community knows that in creating a Canadian fleet not a job would be lost. I say that a considerable number would be gained, a fact of vital importance to this nation today, which has something like 8 per cent of its work force unemployed.

In his report tabled on October 19, 1970, entitled "The Elements of an International Shipping Policy for Canada", Howard Darling paints a gloomy picture of the situation facing the nation. He outlines the increasingly nationalistic character of the world fleets, upon which we depend almost entirely. He describes the increasing participation in and direction of these fleets by foreign governments.

Every major shipping nation in the world today is subsidizing its merchant shipping, and they are all insisting on the right to use subsidized fleets as an arm of their foreign policy. Darling's message is that the increasing capital cost of shipbuilding has driven ownership into fewer and fewer hands, hands which are increasingly controlled by foreign governments, and which are therefore no longer to be trusted with the reliable shipment of the $15 billion worth of goods which Canada annually imports and exports. I might add that these exports are vitally necessary if our economy is to survive. For example, Canada relies totally for the over water trans-shipment of manufactured goods and for the importation of oil from Arab and Venezuelan interests on these uncontrollable and fickle foreign carriers. We must ask ourselves what happens if there is a sustained shipping crisis and these carriers fail to show up.

I believe Canada must get on with the job of creating a national flag fleet while there is still time, before we are stranded without a fleet to carry our goods for international distribution. When we were faced with a real crisis at the beginning of the second world war the nation went ahead and established a fleet which was the envy of the world. We took people from Atlantic Canada, who naturally had salt water in their veins, and mixed them up with people from Saskatchewan and from the central provinces of this country, some of whom had never seen salt water, and we made sailors of the lot. They too established records, and were rewarded for their heroism by the amount of tonnage they carried to Great Britain in the cause of the allies during the second world war.

We can still do that today, but we must get on with the job. The changing situation is best illustrated by the recent United Nations trade and development committee proposal for a code of conduct for liner conferences. The self-proclaimed experts within the government point out that only a few countries have formally ratified this proposal. They conveniently ignore the fact that the proposal was supported by West Germany, Liberia, France, Panama, Russia, China, Japan, and 56 other nations with 55 per cent of the world's total general cargo shipping tonnage. Even if that

specific United Nations proposal is not adopted, the message it contains is quite clear: developing nations want their goods carried in their own bottoms and are prepared to pay the price to rid themselves of their dependence upon foreign fleets. This is the point we must start considering in Canada, a most vitally important point.

Canada, typically, abstained at the United Nations, and today it is still unclear whether the government supports the UN resolution. The United Nations proposed that exporting or importing nations served by these liner conferences have the right to carry up to 40 per cent of their trade in their national vessels. Nationalism on the high seas was clearly asserted by that UN resolution.

To Canada, with 452 foreign registered ships serving in the liner conferences last year alone, the implications of the 40 per cent Canadian content would be a fleet of more than 175 ships.

Mr. Forrestall: That is what we want.

Mr. Crouse: And at some 40 men per ship the possibility exists for an additional 7,000 jobs at sea, not to mention staunching the flow of hard dollars from Canada to Athens, New York, and Tokyo. More important, our own fleet would guarantee us safe, reliable carriers under the direction of the Canadian government and operating under Canadian government policy.

What do we have at present? According to the latest figures available from the water committee of the Canadian Transport Commission, as of December 31, 1974, there were three dry cargo vessels registered in Canada engaged in the international seaborne trade. Two were constructed in 1961, while the third was built in 1958. Not one of these three ships was built in Canada. It is almost unbelievable, yet it is only too true.

Put in another way, not a single container ship, not a single tanker, not a single bulk carrier, and only three merchant ships fly the Canadian flag on the oceans of the world. Our oil, bauxite, and our general cargoes are all imported in foreign vessels for a fee. Our wheat, coal, aluminum, steel and general manufactured goods are exported in foreign flag fleets, also for a fee, and as previously noted last year that fee came to an estimated $1.5 billion. The current estimated cost of a 14,000 ton dry cargo carrier is $10 million, and I point out to the House that this is an approximate figure depending upon the manner in which that ship is outfitted. If it contains much sophisticated equipment, the cost would be higher but it is roughly $10 million for a 14,000 ton dry cargo carrier. At that cost we could build or buy a fleet of 150 ships from last year's payments to foreign cartels alone, not an inconsequential figure. Yet the agents in Canada for the foreign fleets tell us we would be foolish to build our own fleet. That is their privilege, but I submit we do not have to agree with their viewpoint.

Where in this controversy does our government stand? To be sure, that is a very difficult question to answer. The operative parts of Canada's shipbuilding acts were lifted wholesale from the 1947 legislation. The planners in Ottawa who drafted the 1966 National Transportation Act apparently were unaware, when they slavishly copied the old act, that in 1947 we had a fleet of over 300 ships, while in 1966 we had less than 10. Obviously the planners did not know this fact. It is equally obvious that if they did know it they did not care.

● (1630)

As a matter of fact any decision on shipping policy must still be made by the entire cabinet, and everyone familiar with the cabinet and the changes that have been made within it in the past year will quickly realize why no decisions have been made—why it was not until 1975 that the government even moved to set up the otherwise ubiquitous interdepartmental treaty despite years of public protestations.

The former minister of transport did nothing toward building a national flag fleet. He found himself unable or unwilling to overcome the resistance of the foreign lobby which perpetuates the status quo. He followed, if I may say so, the usual Liberal policy—do nothing and maybe everything will turn out all right. I submit that is not good enough at the present time.

In my opinion the world climate is definitely threatening our continued reliance upon foreign fleets. We can no longer assume that the foreign fleets will always be there—always ready to serve—always following the dictates of the dollar. This is not always true. The dollar sometimes takes second place to politics. Take oil, for example. Clearly the dollar is no longer supreme. When some countries wish to affect foreign policy they do so by withholding or diverting oil shipments. We must act to ensure that we will never be immobilized by instabilities in the world shipping community. Only a Canadian owned, Canadian manned and Canadian operated merchant fleet is capable of providing this type of guarantee.

In order to bring this about, in my view there should have been companion legislation introduced with Bill C-61—legislation which would serve to encourage Canadian entrepreneurs to invest in a new Canadian deep sea fleet. At present we have ship construction subsidy regulations whose objective is to assist the shipbuilding industry by subsidizing construction at a level comparable to the tariff protection given to other industries.

All builders of commercial and fishing vessels are eligible for assistance, and a subsidy of 17 per cent is paid on commercial vessels, while a subsidy of 35 per cent is paid on the approved cost of fishing vessels. The seaweed in the propeller of this plan, however, is that the government has not made available sufficient subsidies to cover even the cost for those who would be desirous of building fishing vessels to say nothing about those who may wish to build a ship to expand the Canadian merchant marine.

This House and the Canadian people need an assurance, by example, that the government means business when it plans to expand Canada's merchant fleet. A suitable amount of money must be set aside to cover the existing subsidy legislation. In addition I believe there should be a schedule of concessions to assist shipbuilders and owners in order to re-activate the industry.

I am not proposing an increase in the present subsidy but I am proposing some concessions which should be established, and which would be applicable to ship owners desirous of building new ships in Canada. In view of the large amount of capital required to build a new ship at the present time, the concessions to which I refer should be in

the nature of capital loans and interest. For example, the interest on loans should be the prime rate of interest as charged by our chartered banks, less a suitable percentage point over a ten year period.

If a ship is built in Atlantic Canada, for example, the owner should receive a loan at the prime rate less 4 per cent for building in Atlantic Canada, or 3 per cent for building in central Canada. This would stimulate the industry in Atlantic Canada where the present unemployment rate is higher than elsewhere. In addition, if the loan is repaid in less than ten years, or within a five year period, there would be an additional 1 per cent concession on the interest rate applicable to the loan, thereby using the carrot and the stick approach to encourage entrepreneurs to develop a viable shipbuilding industry in Canada.

There would be some cost to the treasury in a program of this type, but a lowering of the unemployment rate from 8 per cent to 4 per cent or less would more than wipe out the cost of the program to the central administration. It would also provide untold employment opportunities ashore and afloat for thousands of presently unemployed Canadians.

This afternoon we heard the hon. member for Comox-Alberni (Mr. Anderson) speak on this bill. He referred to proposed clause B11-24 (1) and (2) which reads:

(1) A central office for the filing of documents relating to ships owned by persons qualified to own Canadian ships shall be established in the National Capital Region described in the schedule to the National Capital Act.

(2) The minister shall provide, within the National Capital Region, a suitable place for the proper functioning of the office of the registrar, together with such furnishings and equipment as are necessary for the performance of the duties allocated to him.

That clause shows better than any words I could use the centralistic spirit of the government. Here we are talking about a maritime code. We are talking about establishing new opportunities for Canadians expanding a maritime fleet. Obviously this type of expansion would have to take part either on the Atlantic coast or the Pacific coast. Certainly if we were to have an office anywhere to deal with this problem it should be a regional office located in Atlantic Canada to serve that area, and I dare say a regional office in central Canada, likely in Montreal, where the bulk of shipping is concentrated, plus another one in the west to serve the Pacific.

Instead of that we read about establishing an office in Ottawa. Of all the things in Ottawa I submit this one is not required. The government should give serious consideration to amending that clause of the bill. I agree with the hon. member for Comox-Alberni who first raised the point, and I hope the clause will be deleted or amended to read that the national office will be in the areas affected.

In closing I think it is fitting to place a few of the recommendations of the Darling report on the record. After all, the report was commissioned by the marine transport division of the Department of Transport. No doubt it cost Canadians a considerable amount of money, so I think some of the recommendations should be on the record for consideration when thinking about the requirements of a new marine fleet.

The summary of the contents of the report is quite lengthy so I shall only place a few recommendations on the record. In the summary dated October, 1970, Mr. Darling stated:

(1) The negative attitude to international shipping policy in Canada has been due, on the one hand, to unrealistic demands for Canadian flagships having no solid basis in concrete Canadian interests, and on the other hand, to an indifference based on a confidence in the workings of a highly competitive international shipping industry . . .

(3) The varied conditions applying throughout international shipping furnish the context for decisions on Canadian shipping policy. International shipping remains competitive, but its competitive nature is changing. Competition in a free market is diminishing, but competition between large shipping consortia backed in many cases by their states is increasing as it is also direct competition from national fleets that define economic decisions differently. Canada, with its hands-off policy is close to becoming a unique case among the world's main trading nations.

● (1640)

That, I submit, is an honour we can well do without. Paragraph 7 of the report states:

The UNCTAD convention on a code of conduct for liner conferences is in reality a high-level endorsation of completely nationalistic shipping policies. Regardless of whether it ever comes into force it is a clear warning to all nations to protect their own interests with regard to the policies it endorses and which are already being practised by some countries on a scale greater than would be justified by the terms of the convention.

Paragraph 9 reads:

In Canada shipping policy is fragmented between different departments and agencies, each having its own priorities and terms of reference. There exists neither a definition of objectives, a unified administration, an authorization of powers for dealing with the subject matter nor any continuity of purpose or effort. Interventions, where possible at all, require a cumbersome procedure, and are necessarily limited to the vague generalities that are all that can safely be deduced from the equally vague guidelines that are available which for the most part must themselves be thought up.

Paragraph 13 reads as follows:

The principal interest situations that would call for attention include:

(a) The movement of Canadian resources in the bulk trades, such as ore, coal, etc.

(b) The role of Canadian ships in the development of the Arctic.

(c) The examination of Canadian interests with respect to the container consortia that have taken over the greater part of the general cargo trade; this would involve the competitive position of Canadian ports as against American ports.

(d) The consequences of the bilateral shipping policies of other countries.

(e) The position of Canadian ports as a result of modern shipping trends.

Finally, paragraph 15 reads:

The basic prerequisites of an effective shipping policy include the following:

(a) A definition of objectives which will make clear the importance of shipping problems in themselves, rather than to regard them as adjuncts and afterthoughts to other policies.

(b) A unification or a co-ordination of responsibilities.

(c) The equipping of the authority with powers commensurate with the stated objectives of that policy.

(d) A flexible and aggressive administration, able to take initiatives in short term situations and to sustain drives for longer term objectives.

(e) Apart from whatever steps might be taken in particular interest situations, there should also be a general shipping assistance program available on prescribed terms to any Canadian operator which would permit him to take his own initiative in deep sea shipping but would not involve any government responsibility for maintaining the operation. Such a program should therefore not include direct capital

subsidies beyond the shipbuilding subsidies already available, nor operating subsidies.

That is exactly what I say, Mr. Speaker. I am not advocating, when asking for an improved and expanded Canadian merchant marine, increased subsidies. I made a concrete suggestion, that we utilize the interest rate structure to encourage entrepreneurs to establish new fleets in this country. Basically, my real purpose for making this proposal is this: I wish to strengthen the security of the state. We must strengthen the security of our nation, and the modest cost to the treasury of this proposal can be justified on that basis. I therefore hope the cabinet will give careful thought to my proposal, indeed, to this whole matter, so that the establishment of a Canadian merchant marine will not be unduly delayed.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, those in politics have long contended that the government is the servant of the people. We are prone to make such statements in elections. We say that we want to serve the people, that the government itself is their servant. The term "civil servant" expresses the same philosophy. It means that those engaged in civil work are the servants of the people.

Bill C-61 contains some exemplary features and is long overdue, but denies everything which has been said about governments being the servants of the people. If the government is to serve the people its services should be as available to most people as readily and as efficiently as possible. As I say, Bill C-61, which is to provide a maritime code of sorts for Canada, contains some redeeming and long overdue features. Yet I am advised that one part deals with the transfer of the west coast shipping registry to Ottawa. Obviously that proposal was designed in the interests of bureaucratic efficiency. It will please those in bureaucratic circles interested in bureaucratic efficiency. It will not please those on the west coast who need the services of the bureau, fishermen, tugboat operators, and other ship owners operating on the west coast. What kind of nonsense is this?

Why is the government to move, almost as far as geographically possible, from the west coast the very service which the people on that coast need? The ship's registry in Vancouver is an active office, and the heavy use made of it shows that it should stay there. Obviously the provision referred to ignores needs on the west coast, and overlooks the efficient and effortless registration of ships in the Vancouver area.

Vancouver is the busiest port in the country and its registry office the largest in Canada, with more than 10,000 ships on file. Some 400 new registrations were added this year. The work is done by a staff of four, headed by the registrar, Stan Baker, and the operation of the office is noted for its smooth efficiency. One can rest assured that if the registration is moved to Ottawa the number of office workers engaged in registering will mushroom upward dramatically; that will happen if the office is moved from Vancouver to the breaucratic catacombs of Ottawa. If you want efficiency, how you can make the operation more efficient by removing it from the area it serves is beyond my comprehension.

Mr. Goodale: You can use telex.

[Mr. Crouse.]

Mr. Friesen: The parliamentary secretary suggests that the office can use telex. He must have shares in the company.

An hon. Member: He can't even type.

Mr. Friesen: The existing operation is efficient, yet Bill C-61 proposes closing the office and transferring it to Ottawa, several thousand miles from west coast salt water. A bureaucratic efficiency expert must have thought of this.

It reminds me of the story of the efficiency expert who checked a certain office. He came to the first person, whose feet were on the desk, and asked, "What are you doing?" The guy said, "Nothing." The expert went to the second desk, and found another man with his feet on the desk. He asked, "What are you doing"? The second man said, "Nothing." The efficiency expert said, "Ah, this is duplication." That about sums up the bureaucratic thinking behind the proposed transfer.

I do not support the proposed transfer as the resulting red tape and bureaucratic entanglement will create immense complications for owners of boats, large and small. Right now, owners who want bills of sale, mortgages, or other papers processed can usually count on obtaining service the same day in the Vancouver registry office. No one can tell me that if the operation is centralized in Ottawa for the sake of bureaucratic efficiency that owners and others will be given the same service, especially in these days of postal strikes when telex and other communications services are clogged with heavy use.

Mr. Goodale: Give it a chance.

Mr. Friesen: Mr. Speaker, there is a member from Saskatchewan telling us how to operate the Vancouver boat registry. That is typical of Liberal party suggestions.

● (1650)

Further to this, every boat over 30 feet in length in British Columbia waters is on file in the Vancouver office. It is ludicrous to ship those files to Ottawa, far from where their usefulness can be appreciated and, above all, utilized. Surely it would be safe to assume that the existence of any system relies on the premise that it is to be efficient, economical, and utilized. The present registry office in Vancouver satisfies all of these criteria.

In the Vancouver office the closing of a contract is simplified immensely. That is hard to believe in a government office. However, physical delivery of the vessel to the purchaser, payment of purchase money to the vendor, and the guarantee of a clear title as transferred can all be done concurrently. If this system is centralized in Ottawa, we can expect confusion, not simplification; expense, not savings; disfunction, not efficiency.

It is common knowledge that correspondence with Ottawa from either coast is notorious for its inefficiencies. I am not prepared to believe that should the ships' office be moved to Ottawa, west coast vessel owners can expect any change in this pattern regardless of how sincere the bureaucrats might be.

I submit that the bill be given careful and diligent consideration by hon. members. I might add that change for the sake of change more often than not provides a

disservice and not a service, as it surely will if this bill is passed in its present form. I invite members of the committee, both of the government and opposition parties, to entertain an amendment that will upgrade the value of this bill. I can guarantee that we can anticipate intervention with this kind of amendment by the Canadian Bar Association. They are certainly concerned with regard to the commercial law section and the maritime section.

I encourage the members of the committee to entertain an amendment that will take into consideration the fact that the government ought to be committed to serve the people in a way that is best and gives the most efficient help to them, not to try to remove the services as far as possible from those who need them the most.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, it is not my intention to delay the passage of this bill. However, I want to call the attention of the House to a matter that was alluded to by the hon. member for Comox-Alberni (Mr. Anderson) and the hon. member for Surrey-White Rock (Mr. Friesen). I refer to the question of whether it is sensible, having regard to the nature of these registry offices, to compile everything in a central registry.

With the greatest respect to the minister from Saskatchewan and his parliamentary secretary, I think the government is making a mistake in doing that. I understand the necessity for the control of ownership of ships, the matter of derelicts, and a number of other reasons for the argument. However, when you consider the location of the registry offices in terms of service to the public, it does not make sense on one hand to move this kind of office to Ottawa when, on the other hand, the government is talking about distributing various offices of the public service across the country. It does not make sense at all. It seems to work against a policy which was announced or discussed on another occasion.

They are wrong, just as they were wrong in terms of convenience to the operation of a particular department, having regard to its function, by moving the cheque processing unit of the Department of Supply and Services out of the central region to Matane, Quebec. I do not say that that will not benefit Matane. Of course it will. However, having regard to the function and the requirement of what the office is supposed to perform in so far as the public service is concerned, this cheque processing operation move from Ottawa to Quebec is a nonsensical decision, equalled only by the decision set forth in this bill to move a service or operation from the west coast and other places. It means they are going to close a great number of offices and centralize them. I see the parliamentary secretary is nodding his head no. This may be a matter we should consider in committee.

I hope that in committee we will consider the question of decentralization of any office of the public service, not in accordance with economic convenience but in accordance with the function and the requirement of that office. When I hear members such as the hon. member for Comox-Alberni or the hon. member for Surrey-White Rock, I cannot help but think that this provision in this bill really requires examination. I hope that we will consider it in committee.

There is a difference between decentralization of the public service, which I believe is supposed to be done in accordance with certain principles having regard to the function and need of the offices in various parts of Canada, and dispersal of the public service.

Having regard to the function of the public service, the move to Matane was pure dispersal. The government wanted to put something in Matane. It may have had other overtones as well, having regard to the secret documents I produced, really the core documents with regard to implementation of bilingualism in the public service. But I will not deal with that today. However, the question of decentralization is dealt with in those documents. Those reasons are perhaps not the best in terms of the operation of the public service, just as this move to a central registry in Ottawa from the coast and elsewhere has to be explained in committee. There may well be an explanation. However, at the moment it is on questionable grounds.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

Mr. Kaplan: Madam Speaker, I rise on a point of order. There have been discussions on all sides of the House about Bill C-76. I believe Your Honour will find there is agreement, hopefully unanimous, that the bill be dealt with on second reading now, that it be referred at once to the committee of the whole for consideration clause by clause and, if the bill is disposed of at that stage, that it be referred back by the committee and read a third time today.

● (1700)

The Acting Speaker (Mrs. Morin): This can only be done by unanimous consent. Is it agreed?

Some hon. Members: Agreed.

* * *

KING GEORGE V CANCER FUND WINDING-UP ACT

MEASURE TO WIND UP FUND

Hon. Donald C. Jamieson (for the Minister of National Health and Welfare) moved that Bill C-76, to wind up The King George V Silver Jubilee Cancer Fund for Canada and to authorize the sale of the assets and securities of the fund and to transfer the sale proceeds and the balance of moneys to the National Cancer Institute of Canada, be read the second time and referred to the committee of the whole House.

Some hon. Members: Agreed.

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

Mr. Knowles (Winnipeg North Centre): We are happy to expedite the passage of this bill but I think it is worth a brief explanation from the parliamentary secretary. He surely wants to make one.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I am glad to have the opportunity of taking part in this debate, partly because it is the first opportunity I have had to pilot a public bill through the House. I hope it is significant that in doing so I am acting in response to a request made by an august assembly of distinguished Canadians who are presently the trustees of the fund, namely, the Right Hon. Bora Laskin, the Chief Justice of Canada, the Right Hon. Pierre Elliott Trudeau, the Hon. Robert L. Stanfield, the Hon. Marc Lalonde, Dr. W. A. MacLean, Chairman of the Canadian Medical Association Committee on Cancer, the late Dr. J. J. Lussier, representative of the teaching faculty of the French-Canadian Medical College, and Mr. J. W. Westaway, Chairman of the Committee on Medical Scholarships of the Canadian Life Insurance Association. Their request was unanimous.

The purpose of the bill is to authorize the trustees to sell, under the supervision of the deputy minister of finance, as honorary treasurer of the fund, all securities and other assets of the fund and to pay the proceeds of the sale, together with all other moneys held in trust in the fund, to the National Cancer Institute of Canada.

The present book value of the fund, and its approximate market value, is about $62,000. Over its life the fund has disbursed an amount of about half a million dollars. The bill provides for the termination of the trust forthwith thereafter and further provides that, upon payment and termination, the fund and the trustees of the fund, their heirs, executors and administrators, as well as officers and acting officers of the trust, be released and forever discharged from all obligations arising under the fund.

It will be of some interest to Canadians, I am sure, to know that the King George V Silver Jubilee Cancer Fund for Canada was the first effort of our national crusade to raise funds to promote cancer research in this country. The fund was the inspiration of the Countess of Bessborough, wife of the then Governor General, in 1934, and a public campaign for funds was launched.

In June, 1935, the fund was placed by Her Excellency in the hands of the distinguished predecessors in office of the present trustees.

The fund was to be used "in search of relief from the high mortality rate of cancer in Canada" including, without limitation, research, diagnosis or treatment, education, and the provision of scholarships or training. The fund was tremendously successful in the initial years in raising money for its purposes. By December 31, 1938, the public, the federal and provincial governments, and Canadian insurance companies had contributed a total of nearly half a million dollars. The trustees began to make annual grants to the Canadian Medical Association.

In 1946 the National Cancer Institute of Canada was incorporated to be the recognized agency in Canada concerned with cancer research. It is representative of universities, agencies, and organizations which are concerned with cancer. It acts as the co-ordinating agency in connection with cancer research and sponsors and supports research activities throughout Canada.

As early as 1937 there were indications that the fund should not be the means by which public charitable support of cancer research should be funded. In February, 1937, the then Chief Justice of Canada, the late Sir Lyman Duff, as chairman of the trustees, stated that he intended to refuse to continue as chairman if the fund was to be associated with the collection of additional moneys. He believed that such action was impossible because of his position, being incompatible with his responsibilities as Chief Justice. The situation thus arose that the Canadian Cancer Society was recognized as the public charitable organization through which appeals for funds would be made and the Society, in turn, financed the National Cancer Institute. This development left the fund, in effect, in an inactive role.

Over the years the trustees have made contributions to the National Cancer Institute of Canada so that by January 3, 1974, the fund stood at approximately $65,000. Since 1935 the trustees have endeavoured to use the fund to its greatest advantage to promote cancer research in this country. Nonetheless, the purchasing power of the proceeds of investments of trust moneys now represents a relatively small fraction of that originally anticipated. In the past decade it has become necessary for the fund to liquidate capital assests from time to time in order to release sufficient cash for annual payments to the National Cancer Institute of Canada.

Accordingly, when the trustees met in March of this year, all concerned were of the view that the fund should be wound up and the assets of the fund paid over to the National Cancer Institute of Canada. Since, however, the trust deed provides that the fund is to be continued until the trustees are satisfied that mortality from cancer in Canada has been sufficiently reduced, and since the fund is one of national character and importance, the trustees resolved to make the facts concerning the fund known to parliament with the request that parliament be asked to enact appropriate legislation.

I would like to look upon this event, Mr. Speaker, not so much as marking the end of a gallant effort on the part of all Canadians who have participated in the work of the fund since its inception—for the effort continues apace through others who have followed its lead—but as an acknowledgment of the progress that has been made in this country and throughout the world, including the development of other fund-raising bodies in Canada for cancer research much have largely supplanted the leadership that once undoubtedly belonged to the King George V Silver Jubilee Cancer Fund for Canada.

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, before commenting on the bill, one which we all wish to see pressed forward quickly, I should like to extend my congratulations and the congratulations of my hon. friends to the parliamentary secretary who has just spoken. He has indicated this is the first bill he has piloted through the House on behalf of his minister. I should like to extend congratulations to him, not only on that fact but on his

appointment as well, and wish him every success in his new office.

The parliamentary secretary mentioned the leadership which has been given by distinguished Canadians who have acted as trustees of the fund, and who now feel the time has come to wind it up. I am satisfied that Canadians as distinguished as those who occupied the office of trustees of the fund could do nothing but give us a proper recommendation with respect to the operation of the fund and its place in the fight against cancer. What they have really said is that its funds might be better utilized in another way, basically for research into the ongoing battle to eradicate or bring under control a disease that has brought death to many Canadians, and sickness and sorrow to many families.

● (1710)

In saying that we favour the principle of this bill, we might take this occasion to pay tribute to the men and women of Canada in all parts of the country who have volunteered their work in cancer societies throughout the land. They have contributed hours and hours of their time, walking the streets collecting pledges from those kind enough to give. We ought as well to have emanate from this House an expression of thanks to these people, and to those very generous Canadians who have contributed to this ongoing fight against a dread disease.

There is no fooling about the matter, Madam Speaker; there is still a long way to go, and great dedication on the part of many Canadians for many years will be required. There are a lot of unsung heroes on the road to the eradication of this disease and of other illnesses in society. Some of these people are members and officers of cancer societies, national, provincial and municipal, people in constituencies represented by all members of the House. I would not want this opportunity to pass without saying to them, through you, Madam Speaker, that we are grateful for their work. We hope that as a result of their work we will take some giant steps on the road to the eradication of this killer disease of cancer.

As I said at the outset, Madam Speaker, we are prepared to expedite this matter through the House today, and I close by once again congratulating the parliamentary secretary.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I believe it is an appropriate act on the part of the government to bring in this bill to wind up the King George V Silver Jubilee Cancer Fund for Canada. I am sure we are all grateful to the parliamentary secretary for putting on the record a brief history of the fund and an indication of the amount of money that has been contributed by it to cancer research.

I think it is also appropriate at this time to pay tribute to the work over the years of the Canadian Cancer Society and of the National Cancer Institute of Canada, set up under the auspices of that society. I believe that the parliamentary secretary is quite correct in drawing attention to the research that has been done and to the progress that has been made, and both he and the previous speaker said what should be said when they pointed to the fact that funds are still needed to enable research to be carried out in order to conquer this dreaded killer, the disease of cancer.

I may be getting out on a limb again, but the introduction of this bill does bring something to mind. When I first saw the title I recalled that in the year 1935, when I was minister of a downtown church in the city of Winnipeg, I preached a sermon on the King George V Silver Jubilee Cancer Fund and took some part in encouraging the members of my congregation to contribute to the fund. Little did I think that 40 years later I would be taking part in a debate to wind up that fund. I also recall a death in my own family that year that prompted a particular interest in the question of cancer, and in saying that I am sure I am expressing the interest of a great many people in this country. We hope that research into this disease will not suffer for want of the necessary funds.

We pay our tribute to those who have worked under the aegis of this fund these many years, and we extend our best wishes for continuing success to the Canadian Cancer Society and to the National Cancer Institute of Canada.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, first I would like to associate myself with the words spoken by those who rose before me about the parliamentary secretary who made such a good case of presenting this bill and gave a brief history of the fund dealt with in this bill.

I would like also to point out that it is interesting when a member or a minister asks the House for co-operation in giving quick approval to a bill, that those requests should be made in the sense and the spirit shown earlier. One cannot but respond favourably to that request. I suggest that is the way to work in the House if our country is really to have an efficient administration.

With respect to the bill proper I support it wholeheartedly because the fund being wound up under the bill rendered enormous services to the people of Canada. And since the assets are being transferred to the National Cancer Institute it means that all records and whatever research may have been done will also be transferred to it, and that the institute will continue to work in search of means to fight that terrible disease.

I agree all the more with this bill that I was invited on many occasions to co-operate with the Canadian Cancer Society in my province, and as an hon. member suggested quite properly earlier, when I was a little younger I knocked on doors to ask for donations to the Canadian Cancer Society.

● (1720)

I have not forgotten those moments of service to that cause, and I am still very much willing to do everything I can to help the Canadian Cancer Society in its fight against that disease, all the more so that members of my family have been victims of that dreadful sickness.

I therefore support the bill wholeheartedly and trust that the National Cancer Institute of Canada can achieve even more with the support it is given by this bill, so that we may, in the future, hope to discover even more efficient means of fighting cancer.

[*English*]

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

Clauses 1 to 5 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

FEEDS ACT

AMENDMENTS TO BROADEN DEFINITIONS AND CONTROL OVER MANUFACTURE, SALE OR IMPORTATION

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill S-10, to amend the Feeds Act, as reported (with amendments) from the Standing Committee on Agriculture, be concurred in.

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

Mr. Towers: Madam Speaker, it is nice—

The Acting Speaker (Mrs. Morin): Order, please. There cannot be any debate at this time.

An hon. Member: We are on third reading.

The Acting Speaker (Mrs. Morin): This is a motion for concurrence so there can be no debate at this time.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, you can put third reading later, by consent.

The Acting Speaker (Mrs. Morin): This is a motion for concurrence, not for third reading. Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

The Acting Speaker (Mrs. Morin): When shall the bill be read a third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

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

Mr. Gordon Towers (Red Deer): Madam Speaker, it is nice to see that the minister is back in the House because the remarks I wish to make are for his benefit. He has been travelling all over Canada from the east to the west coast saying he is the protector of the farmers' rights.

Some hon. Members: Hear, hear!

Mr. Towers: Yet the bill before this House restricts farmers in what they can do.

Mr. Whelan: Oh, be nice.

Mr. Towers: It is not a realistic approach to the farmers' problems. One of the misfortunes we as members of parliament have to deal with is the fact that a majority of the agriculture committee do not understand the implications of the problems farmers must face.

This bill in its initial stages appeared to be an innocuous piece of legislation. After we got into it, however, we found it could create a great many problems for farmers in Canada if a bureaucracy in the department decided to make things difficult. I have great respect for the members of the department and what they are trying to do, but we have no guarantee that the people who now represent the Department of Agriculture will always be there, in the positions they now hold. It might well be that some bureaucrat who wants to throw his weight around sometime in the future could create problems for the farmers.

Mr. Whelan: Oh, come on; be nice.

Mr. Towers: I am sure the Minister of Agriculture (Mr. Whelan) would be the first to say he is not always going to be the minister, yet he is the minister responsible for sponsoring this bill.

Let me put our objections on the record for the benefit of those on this side of the House and all Canadian farmers, so that at sometime down the road, when problems arise, we can look back and show the Canadian people that we tried to protect their rights.

Since coming to the House of Commons I have tried on a number of occasions to get the government to adopt amendments I felt would be beneficial not only to the people concerned but to the government as well. Apparently the government does not accept this type of philosophy. Members of the government apparently feel it is a sign of weakness to accept amendments from the opposition. If this House of Commons is to work in an adequate manner the government must realize that people outside the cabinet and the committee have a certain amount of background knowledge which can be used to the benefit of the Canadian people. In this regard I am speaking of the Canadian livestock producer.

Let me put some comments on the record made by Dr. Black of the Canadian Veterinary Medical Association. I am speaking at this time primarily so that not only the members of the House are conscious of the situation, but in order that I can refer to these comments at a future time, if need be. Dr. Black stated before the committee:

> First, let me indicate that neither Dr. Barker nor I is in veterinary practice and we have not been for some years, and that we have no monetary interest in this bill.
>
> Our first concern when we read Bill S-10 was with the definition of a feed. We thought the definition as proposed in Bill S-10 was excessively broad.

Later he stated:

> The part of Bill S-10, though, that concerns us most is proposed Section 4, and perhaps I could paraphrase proposed Section 4 in a different way from that in which it is written. It means to us that the bill does not apply to a feed that is manufactured by a livestock producer *if* it has not incorporated into it any drug or other substance that may adversely affect human health.

That is a big "if", Madam Speaker. Let me state now that we on this side of the House, as well as the farmers and the public, are concerned about the health and well being of the consumer. Let us not put that out of proper perspective. Dr. Black states:

● (1730)

Now, we assume that since drugs can be construed by most people to have some influence on human health, we assume then that the inclusion of a drug into a feed by a livestock producer would then bring it under the provisions of the act, and herein lies our concern.

This concern was exemplified recently in a meeting we had with people from the Plant Products Division of the Department of Agriculture when we came away with the understanding that in the future the farmer would only be able to put drugs in the feed in accordance with the medicating ingredient brochures, better known as the MIB's, at present put out by the Department of Agriculture. I think most of us realize that feed manufacturers themselves are limited by the MIB's as to what types of medication they can put in a feed, with the only exception that they can put another drug or a different level of drug or drugs for a different usage in a feed if they do so on the basis of a veterinarians prescription. Now we feel this is excessively limiting if the farmers can only put medication in the feed on the basis of the MIB's. The reason for this is that veterinarians and farmers often consider the feed as a vehicle for the administration of a drug to an animal. The drug has to be approved for oral use, it has to be available for that purpose. Under these circumstances, a veterinarian or a farmer may choose to put a drug in the feed, using the feed as the vehicle, if he has to medicate a large group of animals.

Goodness knows, in this land in which we are living we find that the herds, regardless of whether it is hogs, beef, or flocks of chicken or turkeys, are all becoming larger and it is becoming more difficult to treat them in larger numbers. Certainly it is almost impossible to give them individual treatment. This is why it is of utmost importance that farmers be allowed to treat these animals collectively. Dr. Black went on to say:

He may have to medicate hundreds or even thousands of animals in one treatment, therefore, it is unreasonable to expect him to handle each animal individually and to treat them all orally if this indeed is the route necessary in the case. Therefore, we feel that feed should be kept as the vehicle for the administration of medication to animals.

Just this afternoon we came away from a committee meeting at which we learned that there is a shortage of veterinarians in Canada. The Department of Agriculture is making what I believe to be a noble attempt at training a sufficient number of people to become veterinarians.

Mr. Hnatyshyn: The way to start is to send McIsaac back to Saskatchewan.

Mr. Towers: That is probably a good solution to some of the problems because I imagine he is a very good veterinarian. I am sure he would be one of the first to realize that there is a shortage of veterinarians, and I am sure he would agree with me also that in a great many cases there is a re-occurrence of disease in herds, while there is a possibility that there may not be a veterinarian available to the farmer to have a drug prescribed for his animals.

I think we must be concerned about limiting the farmer in what he can do because of the fact that there is no veterinarian there to prescribe the medicine. I feel also that we must think about the care and well being of the individual animal. I mentioned this before, and I repeat it, because we are all concerned about it. But—and this is the big but—the farmer can put the medicine through the watering system and thus give it orally, or he can inject it into the animal. I am sure that those who have had experience with this method of treatment realize that there is a far greater danger of residue being left in the animal by injection, either intravenous or intermuscular, but this is legal. That is why I feel that this bill is poor legislation which certainly will not protect the consumer and it limits the farmer in the treatment of his herds.

I should like to continue reading what Dr. Black said. It reads:

Now, limiting the farmer or preventing him from doing this does not seem to us to be reasonable because, as I indicated before, the drug has to be approved for use in that class of livestock by the people in the Health Protection Branch. It has to also be available in a form that is suitable for livestock. The withdrawal periods and the dosages must be worked out and approved. So, basically, this drug has to have been approved ahead of time for this type of use in livestock.

Also we feel it is unreasonable to restrict the farmer from mixing it in his feed from another standpoint. The farmer can obtain this drug from an outlet, a feed mill or some other place, and he can administer it to the animals, he can administer it individually or he can inject it perhaps parenterally by intermuscular administration or some other means. Often the route of administration, other than administering it in the feed, will result in a greater likelihood of a residue occurring than if the drug is administered in the feed. On top of that, it is a custom or it is an established tradition in Canadian agriculture that a relatively large portion of medicating farm animals is carried out by the farmer and not directly by the veterinarian. Again we feel that this would tend to limit his scope in this area.

I know, Madam Speaker, that perhaps veterinarians would like to have control over this, and we all know that they receive a fee for their services. This adds to the cost of production. Today we heard the Minister of Agriculture discussing the cost of production as it relates to marketing boards.

The more hindrance we put in the way of agricultural production, the more we will increase the cost to the producer. I think we must look at this realistically and we must approach it intelligently. We must realize that the more restrictions we place on the producer, the more difficulties he will have. Ultimately it will either put him out of business or it will increase his cost of production. Therefore we should be reasonable about this.

One of my great concerns is that we are opening up every farm gate in Canada to a health inspector. There is nothing in the act to suggest that the inspector must have a reasonable assurance that some misdemeanour is taking place in the operation. I take exception to that. I feel there should be some provision in the bill which would require the inspector to submit to the farmer his qualifications and whatever other identification he may have and to tell him what he is doing on the property. We know what happened when we were dealing with the right to privacy by individuals in connection with electronic bugging. Surely while this may not come under the same act, the privacy of the agricultural producer is being sacrificed to a degree. Goodness only knows we are losing our freedom fast enough without enacting legislation which would take more away from us.

● (1740)

I feel that this is poor legislation, and I wish to put that on record and to make it abundantly clear. I am not going to try to change this legislation because I have tried too hard on other occasions; in fact we tried to change this legislation in committee. We realize that perhaps there are misdemeanours which should be investigated, and I have no quarrel with the Minister of Agriculture or the Department of National Health and Welfare for enacting legislation which would provide for inspectors to go on any of

these properties if they can justify their action and feel that they should investigate, but I do not think the assurance of representatives of the Department of Agriculture is adequate when they say that they do not have enough inspectors to go to all the farms in Canada.

Who knows what is going to happen down the road? We are opening up the gate to every farm in Canada for inspectors to walk through, and they do not have to submit any identification to the farm operator in any way, shape or form.

I think this is bad legislation, and that the government is doing a disservice by bringing it in in this manner. Nevertheless the government has a majority; it pushed this legislation through committee and I presume it will push it through the House of Commons. I am not happy with it, and that is one of the reasons why I am pleased at this time to have an opportunity of expressing my concern in this House of Commons.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, I should like to make a few brief comments on third reading of Bill S-10. I was and still am a member of the Agriculture Committee, and I was there for discussions on this bill and indeed for some of the evidence which was referred to by the hon. member for Red Deer (Mr. Towers).

I reject the opening remarks of the hon. member. He said that a majority of the government members on the committee are not experienced or knowledgeable in the field of agriculture generally. That certainly is not borne out by the facts, especially when we examine the membership of that committee.

Some hon. Members: Hear, hear!

Mr. McIsaac: This bill is not really a major agricultural bill, but it is a very good example of how a committee can work. We called in several groups which wanted to appear before the committee, the veterinary association, the feed dealers' people, and another group of people interested in both animal science and nutrition.

We heard evidence from those people and sat down and discussed that evidence with officials from the Department of Agriculture. We discussed another provision with officials from the Department of Justice, and had a good deal of across the table, non partisan discussion in going through this bill, which is really a small bill with about four clauses in it. At this moment I believe it is coming back into the House with three of those four clauses changed.

As I said, this bill is not a major one, but it is an important and an excellent example of how a good committee can function. In this case the Agriculture Committee did a good job in dealing with this bill. We discussed very thoroughly the amendments and their implications.

Clause 1, dealing with the definition of a feed, was changed and narrowed in its scope, as a result of our discussions and the hearings we held. I believe the final clause dealing with penalties was modified, again as a result of discussion. Another one, which I know the hon. member for Red Deer was concerned about and spoke about, and about which I was personally concerned, was not changed. However, in my estimation it was explained and spelled out by the officials a good deal more clearly than a casual reading of the bill a layman would have done.

Clause 4 deals with exemptions. Where a farmer or producer manufactures his own feed, under certain conditions he is exempt from the provisions of this bill. I think the hon. member for Red Deer is well aware that the old business of a farmer manufacturing his own feed was a fairly simple matter of putting some grain through a hammer mill or a plate grinder, and perhaps combining a few bags of supplement for a few cattle, a few hogs, or a few chickens. That was, perhaps, 90 per cent the case, but the situation today in the livestock industry is a good deal different. We are certainly now in a different era of livestock production in Canada. There are many very large operations with their own facilities not only for making feed, but for manufacturing and developing the same kind of feed. Indeed, there are larger operations than commercial feed mills which are subject to the provisions of this bill.

I do not quarrel with the objective of bringing some of those operating under the auspices of this bill. Many of these operations are vertically integrated, to the degree that perhaps the poultry or other livestock are slaughtered right on those same premises. I interpret the bill quite differently than does the hon. member for Red Deer. Veterinary prescribed drugs can be added to feeds manufactured or put together on a farmer's own premises. By regulation the bill provides for that exemption. That has been done in the past, and this bill does not change that practice, which has gone on through the years.

The bill expands the definition of what constitutes a feed to meet better today's needs. I certainly would not be supporting this bill if I thought it interfered with the rights of farmers to the extent the hon. member for Red Deer suggested. I would not be supporting it if I thought it was that kind of bill, but indeed I do support it, and I believe it contains a couple of changes which bring the bill up to date, and it is more realistic in terms of feed in agriculture today.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Madam Speaker, at the outset I wish to say that this is a relatively small housekeeping bill. If that had not been so, the government would not have entrusted it to the Senate to introduce. In the main the changes which have been made in this bill have been housekeeping changes. Over the years there have been changes in the feed patterns of agriculture, particularly in vertically integrated operations with automatic feeding programs, where it is absolutely necessary to do the miximg either in concert with the feeding arrangements or at least on the farm rather than in mills, as was previously the case.

During the committee discussions considerable evidence was requested and obtained with regard to drugs which are added to feed. There is a fear on the part of consumers and producers that additions to feed may leave a residue in the end product which may affect the health of the nation. No one suggested that the protection afforded in this bill

should be extended only to feed mills. It is agreed that it should also be extended to farm feed mixing mills.

It was generally agreed that there are very few farmers who would do anything on their farms which would be detrimental to the end product. It has been said that drugs have to be added to the production cycle of almost all our agricultural products, and that is so. It is also true that there are instructions in the bill about how the drugs will be administered, but departmental officials have not asked for full control of the mixing which may involve adding some drugs. Our acts are sufficiently tight that those drugs can legitimately be administered by following the directions provided.

● (1750)

The hon. member for Red Deer (Mr. Towers) reminds me of the person who says we should eliminate the controls simply because they may be abused. There is not very much wrong with most of the prescriptions issued in this country for people who have difficulty sleeping, or who are nervous or suffer from hypertension, but almost all the suicides are as a result of prescribed drugs. So it is not the drugs that are at fault but the way they are administered. If someone is going to administer them in a dangerous manner it is difficult to protect people from that.

I am concerned that in one part of the bill we have added a number of new things to food that are not actually food at all but work in the feed process and biological function of the animal. I do not think the government has ascertained the long range effect of some of these materials such as nitrogen, enzymes, and some of the other things that provide biological function rather than food value. We have not set up long term testing facilities and I think this is a weakness in our agricultural program. Some of these products have been brought about by changes in protein prices throughout the world, but when they are added as a substitute I think our veterinary services should have a testing program, rather than the producing company, to assess the long range effects of them. In some cases those companies have done the necessary research before the department can put on the label the way a product is to be used.

I believe that if someone comes to my farm with a mixing plant they should be subject to the same restrictions as if I take my produce to the feed mill where the mixing will be done under government supervision. I should be protected when it is done by the operator on my farm. As the Minister of Agriculture said, the operator should at least be able to read the label and know how the machine operates, and I should be assured that the mix is of the proper proportions and done under sanitary conditions.

This bill goes back to the Senate, and of course we would improve on anything they can do. We have done so with a couple of small amendments, but of course the Senate may not agree and the bill may come back to this House. I feel, however, that the department has brought the Feed Grains Act up to today's standards by the introduction of these changes. I sincerely hope it will give serious consideration to long term testing as I believe difficulties are developing from new materials being used without enough research being done by the government, independent of the company selling a particular commodity.

I am quite pleased that we were able to make a number of changes in the bill, and I appreciate the efforts of those who appeared before the committee. I think their advice was to the point and enabled the committee to make worth-while changes in the bill.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I want to say a few words and to present a very persuasive argument that I am sure all progressive members of the House will agree with—including the hon. member for St. Boniface (Mr. Guay).

I want to object to the way this bill was brought in, through the Senate. It is a government bill introduced in the Senate, and I think the time has come when we as parliamentarians should be responsible for bills in this House and the other place. Senators are not elected; they are not responsible to anyone; they do not have to face re-election. Many of them are appointed because of political I.O.U.s, and in the Senate they represent their party and lobby for corporations.

In principle I object to any government bill being introduced in the other place. All legislation should be dealt with by the elected representatives of the people and not by those who have no responsibility to meet the people in an election campaign. The Minister of Agriculture (Mr. Whelan) would probably agree. He has been outspoken on this subject and it is a pity he is not here today. It is ironic that one of the bills that goes that route comes under his purview. I think my point is valid not just because I think the other place should be abolished—and I think it should—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but he must speak on the content of the bill, which is a bill to amend the Feeds Act.

Mr. Nystrom: Thank you, Madam Speaker. I have made my point. You have just heard one of the briefest speeches ever made in this House.

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

Some hon. Members: Question.

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

Mr. Guay (St. Boniface): Madam Speaker, I should like to call it 6.30.

The Acting Speaker (Mrs. Morin): Is it so agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Pursuant to the order made on Wednesday, November 5, it being 6.02 p.m. this House stands adjourned until tomorrow at 2 p.m.

At 6.02 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Thursday, November 27, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

SUGGESTION MEMBERS SHOULD GIVE INFORMATION RELATED TO INVESTIGATIONS TO FORCE PRIVATELY—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie) as follows:

That the Prime Minister advise the House with reference to a public statement quoting the Solicitor General as saying that opposition members should deal privately with the RCMP with information pertaining to investigations, such as the present Olympic games investigation or the Senator Giguère investigation, rather than raising these matters publicly in parliament whether this represents government policy and if so, that the Prime Minister advise the House further whether it is now government policy that members of parliament should not raise matters of grave concern and make recommendations thereon in this chamber, including situations that obviously require judicial inquiries.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

SUGGESTED STUDY OF SOCIAL CREDIT MONETARY SYSTEM TO COMBAT INFLATION—MOTION UNDER S.O. 43

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

As the anti-inflation measures of the government are running into vigorous opposition on the part of workers, who are proving thereby that they have no confidence in the proposals of the government, and as the confidence of the people is an essential condition of the success of any measure intended to contain and check inflation, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House study, as soon as possible, the monetary measures suggested by hon. members of the Social Credit Party of Canada with a view to putting an end to the ravages of inflation through the implementation of an annual guaranteed income paid to all, and the application of a retail discount to the purchase of all essential goods.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

INDUSTRY

REQUEST FOR FEDERAL ASSISTANCE TO SAUNDERS AIRCRAFT CORPORATION—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the announcement by the Saunders Aircraft Corporation of Gimli, Manitoba, that on December 31 of this year the remaining 200 employees will be laid off. In light of the company's assurance that the ST28 aircraft is very near completion and certification, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Industry, Trade and Commerce act immediately to review Saunders' PAIT application with the view to a positive response and in addition to explore every and all avenues of assistance that will prevent the economic collapse and related human hardship, and that, the minister adopt the same positive attitude toward Saunders as the government has taken toward eastern companies such as the de Havilland Aircraft of Canada, Limited.

Mr. Speaker: A motion under Standing Order 43 requires unanimous consent. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REASON PRIME MINISTER TOLD MR. MARCHAND NOT TO SPEAK TO MEMBERS OF FORCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the right hon. Prime Minister. Could the Prime Minister confirm that he told the Minister without Portfolio, the hon. member for Lange-

lier, not to talk to members of the Royal Canadian Mounted Police. If so can the Prime Minister tell the House on what basis he adopted this, to put it mildly, unusual position?

● (1410)

Right Hon. P. E. Trudeau (Prime Minister): Very simply, Mr. Speaker, I told the Minister without Portfolio yesterday, when he told me the police had asked him if he would help them in an investigation, that he should see the police; but, this morning, when the Minister without Portfolio arrived at his office, the press already knew he was going to see the police, and this is something of a distressing situation. I told him that, in the circumstances, I should like to talk to the commissioner of the police before he agreed to go ahead with—

Some hon. Members: Oh, oh!

An hon. Member: Are you the head of the RCMP?

Mr. Trudeau: Before he agreed—

Some hon. Members: Oh, oh!

Mr. Trudeau: —before he went along with the meeting, which he had previously agreed to do. I think hon. members of this House should be rather surprised and indignant, if this is the fact, that the press should know about the police's visitation.

An hon. Member: Marchand told them!

Mr. Trudeau: I want to know how this happened and I am going to discuss with the commissioner how it did happen.

Some hon. Members: Hear, hear!

Mr. Stanfield: A supplementary question, Mr. Speaker. I take it, from what the Prime Minister said, that he has not yet been in touch with the RCM Police Commissioner and has not given the Commissioner of the RCM Police instructions with regard to this investigation. I ask this for clarification, although I suggest that the Prime Minister's action in intervening lends itself to the interpretation of trying to create some kind of distraction—

Mr. Trudeau: As some kind of what?

Mr. Stanfield: Distraction.

An hon. Member: Shame!

Mr. Trudeau: Mr. Speaker, I do not know what the Leader of the Opposition implies by this word "distraction." I know that the police raided the office last year of the hon. member from Kingston. I know if the press had been there before the police arrived, hon. members opposite would have been pretty indignant.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, may I ask the Prime Minister one more supplementary question?

Mr. Guay (St. Boniface): It had better be good.

[Mr. Stanfield.]

SKY SHOPS INVESTIGATION—GOVERNMENT POSITION ON PUBLIC, JUDICIAL INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): It will be good, Joe. The government having indicated it would take appropriate action in connection with the Sky Shops affair and all related matters by having the RCMP investigate the matter and the Prime Minister, for reasons he has given the House, having interfered personally with the investigation, may I ask if the Prime Minister does not think the time has come for a full public, judicial inquiry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to make it clear to the House that on all previous occasions when the police or the Solicitor General—this one or the previous one—informed me that they were going to carry out an investigation of some well known member of the Canadian public, whether Liberal, Tory, NDP or somebody outside, I always told them, "Look, do your duty; I do not want to interfere in any way."

Right Hon. J. G. Diefenbaker (Prince Albert): Why interfere on this occasion?

Mr. Trudeau: Yesterday, when the minister told me that the police wanted to see him, I said exactly the same thing to him: co-operate with them in every way. It happened that when the minister arrived this morning and saw the press outside his office, he was somewhat indignant and wanted to know how the press had known this.

An hon. Member: Because he had told them.

Mr. Trudeau: He alluded to an article in the *Gazette* yesterday, which suggested the police were leaking things. I, personally, do not believe this, Mr. Speaker.

An hon. Member: We have a free press.

Mr. Trudeau: I have been closely associated with the police for many years.

Some hon. Members: Oh, oh!

Mr. Trudeau: This began when I was minister of justice. As Prime Minister I am, as the House knows, in constant contact with the police. But the fact remains: when the minister was prepared to receive the police, he found the press there first. He telephoned me and I said, "Look, you tell them that before they proceed with their interrogation I want to talk with the commissioner, to try to find out whether the press was guessing, whether it knew and, if so, how did it know.

Mr. Diefenbaker: What a story!

Mr. Horner: What about moral suasion?

SKY SHOPS INVESTIGATION—KNOWLEDGE OF SOLICITOR GENERAL OF CONDITIONS FOR MEETING WITH MR. MARCHAND—POSSIBILITY OF MEETINGS WITH OTHER MEMBERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a supplementary question to the Solicitor General. Did the minister discuss with either the Prime Minister or his colleague, the Minister without Portfolio, in

advance of this morning's meeting the terms and conditions upon which representatives of the RCMP would be given voluntary access to certain members of the government? Can the Solicitor General tell the House whether, to his knowledge, the RCMP have already met with or are planning to seek meetings with any other members of the government with regard to this investigation?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. I did not know the Minister without Portfolio was going to meet with the RCMP. They had not advised me, nor had the minister. No instructions were given to the RCMP other than that they should follow the policy that was laid down and made clear, namely that whenever they wish to make a seizure or search, they go through the Speaker of this House and follow all laws, regulations and the policy laid down within the force. They did tell me they were going to be visiting, on a co-operative basis certain members of this House of different political parties on this question.

SKY SHOPS INVESTIGATION—REQUEST FOR REPORT ON ALLEGED LEAKING OF INFORMATION BY THE FORCE TO THE PRESS

Mr. Elmer M. MacKay (Central Nova): Now that the Solicitor General is aware of the comments and question raised by certain of his colleagues, including the Prime Minister, in respect of alleged leaking of information to the press by the RCMP, has he made an inquiry into this matter and what has he to tell us is defence of the RCMP for whom he is the responsible minister?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I can only repeat what was said by the Prime Minister. I did contact the Commissioner of the RCMP when I heard the press was at the office of the Minister without Portfolio. I was shocked to learn this. It appears somebody must have told them that a private meeting had been arranged between the minister and the RCMP. The Commissioner stated that he, too, was shocked because he felt that nobody in the police would do that. He has promised to investigate it. He said he would meet with the Prime Minister, as the Prime Minister said, to discuss the results of his investigation.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—ATTITUDE OF PROVINCES TOWARDS CONTROLLING PROFESSIONAL INCOMES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance. In view of the concern of many people that under the government's wage, income and price control program, professional incomes are not likely to be effectively controlled, did the government put forward specific proposals before the provincial finance ministers yesterday in this area? Also, can he inform the House whether some form of agreement was reached by which professional incomes will be brought within the controls program?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the meeting had before it the proposal in the white paper with regard to the control of professional income. I can say that there was general agreement with the concept that the pricing of professional services should be controlled with the co-operation of the provinces through the control of billing practices by each of the professions. In that sense, there was general agreement in that regard.

With respect to the incomes of professionals as opposed to the pricing of their services, there was not an agreement among the provinces. Some favoured a surtax, either on the whole or over a certain level of an individual's income. Some favoured none at all. There was a spectrum of opinion among the provinces but a conclusion to the effect that the federal government would have to make the final determination on any action that might be taken against incomes above and beyond that provided for by the guidelines.

ANTI-INFLATION PROGRAM—REASON FOR REJECTION BY FEDERAL GOVERNMENT OF SURTAX ON PROFESSIONAL INCOMES

Mr. Edward Broadbent (Oshawa-Whitby): On the latter point, can the minister inform the House why the federal government did not agree either to some form of surtax on incomes at a certain level or with the idea proposed by at least one province, namely that at a certain level there be a capping of incomes under the program? Why did the federal government reject both of these approaches? Also, what kind of specific program is the federal government going to adopt?

Hon. Donald S. Macdonald (Minister of Finance): With regard to the pricing of professional services, the federal government will certainly adopt the program put forward in the white paper, which was agreed to by the provinces. No final determination has been made by the government on the question of surtax. One of the purposes of putting that issue before the meeting was to get a definitive reading from ministers of their positions. As I say, opinion was almost equally divided among three different positions.

● (1420)

ANTI-INFLATION PROGRAM—DATE OF PUBLICATION OF REGULATIONS CONTROLLING PROFESSIONAL INCOMES

Mr. Edward Broadbent (Oshawa-Whitby): Can the minister inform the House when we and the provinces can expect to learn the precise nature of the program the federal government will act upon in terms of controlling professional incomes?

Hon. Donald S. Macdonald (Minister of Finance): That is a matter which will have to be considered by my colleagues on my recommendation and I would expect the results of that consideration will be known within a matter of weeks. I could not, however, give an exact date.

* * *

[*Translation*]

ANTI-INFLATION PROGRAM—POSSIBILITY OF STRICTER PRICE CONTROL IN VIEW OF OPPOSITION BY LABOUR

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I want to put a question to the Prime Minister.

In light of the demonstrations of tens of thousands of Canadians who are against the government anti-inflation measures because they do not feel that the government will be able to control prices, could the Prime Minister tell the House whether he intends to propose stricter price and wage controls, in order to win the confidence of the people in the fight against inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is very broad. The Minister of Finance has just answered a previous question by saying that there would certainly be further particulars to announce about the program and, in that sense, the answer to the hon. member's question is yes. But if the hon. member wants to know if we are going to change the whole structure of our program, the answer is no.

* * *

[*English*]

AIR CANADA

RESIGNATION OF MR. PRATTE—REQUEST FOR TABLING OF LETTER OF RESIGNATION AND REPLY—DATE OF ANNOUNCEMENT OF SUCCESSOR

Mr. Jack Murta (Lisgar): Despite the Prime Minister's obvious lack of familiarity with the subject matter yesterday, I should like to direct a question to him once again: it has to do with Air Canada and its Chief Executive Officer. In the light of the answer he gave the House yesterday, will he confirm today whether Mr. Yves Pratte has resigned effective December 1, 1975?

Right Hon. P. E. Trudeau (Prime Minister): The Minister of Transport conveyed some information to me this morning with regard to this resignation. Perhaps he could answer the question.

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker. I can confirm that a letter of resignation from Mr. Pratte, effective December 1, has been received. A reply is going out to him this afternoon.

An hon. Member: Who's next?

Mr. Murta: Will the minister table Mr. Pratte's letter of resignation, and will he also table the reply he is sending? Can he confirm that none of the candidates for either of the senior positions in Air Canada currently under consideration by the government is from within existing management of the airline? I ask this because of reports that Mr. Vaughan also intends to resign.

Mr. Lang: I am certainly prepared to make the correspondence available to the House, although I will only do so after my letter has arrived in Mr. Pratte's hands. There is no truth to any suggestion that there will be any limitation set on the consideration of the best possible management of Air Canada and appointments to those posts in future.

Mr. Murta: Can the minister tell the House when the government will be prepared to announce a successor to Mr. Pratte and also a successor to Mr. Vaughan, in the event that Mr. Vaughan also resigns, as has been reported?

Mr. Lang: First, I should say that the board, in accepting Mr. Pratte's resignation effective December 1, did name Mr. Taschereau to be acting chairman of the company. The decision with regard to a successor will be taken as soon as possible and will be announced at that time. I would not want to speculate further upon that matter.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF GUIDELINES TO PROVINCIAL MARKETING BOARDS

Mr. James A. McGrath (St. John's East): My question is to the Minister of Finance, Mr. Speaker. I should like to ask the minister whether in the course of his discussions with the provincial finance ministers agreement has been reached on the treatment of provincial marketing boards within the guidelines contained in the white paper?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there is general acceptance by the provincial ministers that provincial marketing agencies which have responsibility for setting prices of commodities should be included within the guidelines. The provincial governments, either directly or through over-all monitoring agencies of a kind similar to the National Farm Products Marketing Council, would assume responsibility for controlling the provincial boards and for making certain that they stayed within the guidelines.

It was also generally agreed by provincial ministers that the marketing agencies within the provinces would be instructed to give full co-operation to the Anti-Inflation Board in any inquiries that the board would want to make in the course of monitoring prices.

ANTI-INFLATION PROGRAM—PROCEDURE TO BE FOLLOWED IN VIEW OF FAILURE OF PROVINCES TO AGREE ON CONTROLLING PROFESSIONAL INCOMES

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. In view of the fact that there was no consensus reached on professional incomes, commissions, salaries and so on, what is going to be the next step in view of the fact that the bill now before the House will soon become law? Is another follow-up meeting going to take place, or what procedure is going to be followed in view of the failure to arrive at a consensus on professional incomes?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if I can correct the hon. gentleman, there was agreement that the price restraint aspect of professional incomes as proposed in the white paper would be carried out by the federal and provincial governments in co-opera-

tion. Bill C-73 proposes that the restraining of professional incomes be carried out in co-operation.

What was not agreed on was whether professionals should be selected out, as others in the economy have not been selected out, for special and additional taxation treatment. This would, of course, be a matter for a taxation bill which would have to be introduced. There was agreement in the meeting that on that question the federal government would have to assume responsibility if a surtax were to be imposed. That is a question to which my colleagues and I will have to give some attention.

* * *

EXTERNAL AFFAIRS

SUGGESTED ACTION TO ENABLE RUMANIAN CITIZENS TO JOIN RELATIVES IN CANADA

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Prime Minister. I was pleased to hear the Secretary of State for External Affairs' statement yesterday that the Polish government is going to adopt a more flexible policy of permitting exit visas to Polish citizens who wish to join their relatives in Canada. Would the Prime Minister use his persuasive powers during the visit of President Ceausescu of Rumania to make it possible for Rumanian citizens to join their relatives in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have already raised this matter with the president when I met him in Helsinki. I pressed upon him the importance of good relations with Canada by facilitating family reunions, as I have with other leaders in eastern Europe. I should correct the hon. member; there is no impending visit of the president. I did see him in Helsinki. For the past year various dates have been looked at, but I do not know of any specific date having been agreed on at this time.

* * *

FOREIGN INVESTMENT

TAKEOVER OF WESTINGHOUSE—REQUEST FOR REPORT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Inasmuch as the minister is leaving for France on Saturday—and I might say we wish him well in his endeavours to stimulate our trade with France—will the minister make a statement in the House on the Westinghouse matter before he leaves?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I doubt very much whether it will be possible to make a statement, but I can assure the hon. member that I do not propose to leave without having some activity take place that will at least stabilize the situation. In other words, my talks with the parties are still continuing, as I believe the hon. member is aware, and I am hopeful that today or tomorrow something will occur that will at least be reassuring to the company concerned and its employees.

* * *

HEALTH

FINDINGS OF DR. BARBEAU ON MERCURY POISONING—SUGGESTED RE-EXAMINATION OF INDIANS AT WHITE DOG AND GRASSY NARROWS RESERVES

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns public statements made by Dr. Andre Barbeau, director of the neurobiology department of the Montreal Institute of Clinical Research and also member of the committee of study and intervention on the danger of mercury in the Quebec environment. In view of Dr. Barbeau's statement that there is some mercury disease affecting five Cree Indians in northern Quebec, and that Dr. Barbeau has come up with some different interpretations of existing clinical studies, would the minister undertake to ensure that Indian residents of the White Dog and Grassy Narrows reserves have their documents forwarded to Dr. Barbeau and his associates for further investigation and, if necessary, that these people themselves be re-examined and the situation investigated further?

● (1430)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I shall be pleased to take the hon. member's suggestion into consideration and to discuss it with my officials. I would nonetheless remind the hon. member that we already have in the area he mentioned a world-known specialist, Dr. Clarkson I believe, who is already working with the Indians. Dr. Clarkson is an expert of international renown. I will certainly consider with great interest the hon. member's suggestion and if it can bring about some progress in that field, I shall certainly take the necessary steps to implement it, with the agreement of the Indian people, of course.

* * *

[*English*]

SOCIAL SECURITY

PROPOSED INCREASE IN OLD AGE PENSION AND STUDY OF RETIREMENT POLICIES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that the Canadian Council on Social Development has recently published a report entitled "How Much Choice—Retirement Policies in Canada" in which it is declared that more than half of the senior citizens of this country exist on incomes at or below the poverty level, may I ask the Minister of National Health and Welfare if consideration will be given to an immediate catch-up increase in old age pensions, and will the government also institute a study of retirement policies in this country?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows quite well, there are many discussions as to what constitutes the poverty level. The Canadian Council on Social Development has set its own level, as well as the Economic Council and Statistics Canada. Therefore, I think that it is difficult to hold a useful general debate on the poverty level. As for the member's suggestion for an immediate increase in the basic pension, the matter is not being considered at the present time but, as I said to the hon. member, it will be increased according to the rise in the cost of living as of January 1 next.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question may I ask the minister what we can do to get the government to face up to the reality of poverty as it is experienced by our senior citizens?

* * *

ROYAL CANADIAN MOUNTED POLICE

KNOWLEDGE OF SOLICITOR GENERAL OF MEETING BETWEEN MEMBERS OF FORCE AND MR. MARCHAND AND DIRECTIONS OF PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct a question to the Solicitor General in connection with the mysterious events that have taken place in the last few hours, in particular with regard to the dangerous course to justice that was indulged in by the Prime Minister. I want to ask the minister this question so he can remove some of the veil of mystery about this matter. When did he first become aware of the fact that the Mounted Police were going to interview the Minister without Portfolio, and whenever he received that information, did he communicate it to the Prime Minister and, if so, when? My final question, all in the one parcel, is this: Was he aware of the fact that the Prime Minister had informed the Minister without Portfolio that he should not talk with the police until it was revealed from what source the press was able to know in advance of the course that was going to be followed by the Mounted Police? There is something very mysterious about this and we would like to hear a little more.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there is no mystery about it.

Mr. Diefenbaker: Oh no!

Mr. Allmand: As I mentioned in answer to an earlier question, I only found out that the RCMP were paying a visit to the Minister without Portfolio late this morning.

An hon. Member: Everybody knew but you.

Some hon. Members: Oh, oh!

Mr. Allmand: It was long after the meeting was to have taken place. I did know, however, that the RCMP intended to discuss this matter with some ministers and members of parliament, as I said, in both the opposition and the government parties.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Diefenbaker: Mr. Speaker—

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the supplementary—

Mr. Speaker: A supplementary answer; the right hon. Prime Minister.

Some hon. Members: Order, order.

Mr. Trudeau: I am sure the right hon. gentleman would not want me to deceive the House, Mr. Speaker. I did not tell the minister not to talk to the police.

Some hon. Members: Order.

Mr. Trudeau: I told him, Mr. Speaker—

Mr. Diefenbaker: This morning?

Mr. Trudeau: This morning, yes, when he phoned me. I did tell him yesterday that he should see the police. I told him this morning that he should see the police but he should tell them he would co-operate with their investigation after I had cleared with the commissioner—

Some hon. Members: Oh, oh!

An hon. Member: Interference with the law; that is all it is.

Mr. Trudeau: —after I had cleared with the commissioner the question of the publicity to be given to the interview.

Mr. Diefenbaker: That makes the mystery even more difficult to understand.

Mr. Trudeau: In what way?

Mr. Diefenbaker: The Prime Minister should not be so aroused. Obviously, we have touched a sore point with him.

Mr. Trudeau: What sore point?

Mr. Diefenbaker: Mr. Speaker, I would ask the Prime Minister what justification there was for anyone to advise the Solicitor General that the Mounted Police should not be talked to until he had ascertained where the leak to the press had occurred. What is the basis for this and what was the reason for such concern that the Minister without Portfolio should not talk until you found out how the press got the information?

Mr. Allmand: Mr. Speaker, the right hon. member is not repeating the facts correctly.

Mr. Diefenbaker: All right, you give them to us.

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, when I reported to the Commissioner of the RCMP that members of the press were present when the RCMP officers went to visit Mr. Marchand's office this morning—

An hon. Member: At what time?

Mr. Allmand: —at the agreed visit with co-operation, the commissioner himself was shocked, and he agreed he should look into this. He thought it was a shocking thing that publicity should be given to that kind of interview.

Mr. Diefenbaker: Was there something to cover up?

ALLEGATION MR. MARCHAND TOLD PRESS OF IMPENDING VISIT BY FORCE—REQUEST FOR NAMES OF OTHER MEMBERS BEING INTERVIEWED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister whether it is not a fact that the Minister without Portfolio informed a member of the media prior to the RCMP visit that the RCMP would visit his office on the a.m. of November 27, and that is how the press knew of the impending visit, and that is why the cameras were there? Is that correct?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, that is not correct.

Mr. Diefenbaker: How does the Prime Minister know?

Mr. Woolliams: Mr. Speaker, I should like to ask the Solicitor General, since he has made some serious charges about other members opposite, that other members were under investigation, who are those members?

Some hon. Members: Oh, oh!

Hon. Warren Allmand (Solicitor General): Mr. Speaker, this hon. member is also distorting what has been said.

Some hon. Members: Hear, hear!

Mr. Allmand: I did not say that members of the cabinet or members of parliament in all parties were under investigation.

An hon. Member: Just some of them.

Some hon. Members: Oh, oh!

Mr. Allmand: I said that they had agreed to meet with the police in order to help the police with this investigation. They were helping the police, but not being investigated.

An hon. Member: Another semantical gyration.

INQUIRY WHETHER MR. MARCHAND REQUESTED TO PRODUCE DOCUMENTS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Minister without Portfolio regarding the meeting this morning. Will the minister tell us whether the RCMP asked him to voluntarily provide them with any documentation and, if so, has he agreed to do so?

[*Translation*]

Hon. Jean Marchand (Minister without Portfolio): Mr. Speaker, the problem is not so dramatic. I have been coming to Ottawa for more than 10 years. I usually arrive on Parliament Hill between 8 and 8.30 a.m. and it is the first time that there was a camera direct on me. I had agreed to give an interview to the RCMP. I had been asked to see them. I am quite willing to do so; they were welcome and I told them that I would extend to them all the co-operation that can be expected from a minister. The only thing that I do not accept is that the RCMP should directly or indirectly notify the press. That individual who was at the foot of the stairs when I arrived was not—

[*English*]

Mr. Diefenbaker: Why not? Why shouldn't there?

Mr. Marchand (Langelier): Why not? Oh, come on!

Some hon. Members: Oh, oh!

An hon. Member: You won't talk.

Mr. Marchand (Langelier): You are supposed to be there to defend human rights. If this is your position, keep it, please.

● (1440)

INQUIRY WHETHER MR. MARCHAND TOLD PRESS OF IMPENDING VISIT BY FORCE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have just one supplementary for the minister. Since he was interrupted by the Prime Minister a few moments ago when he was about to answer a question by the hon. member for Calgary North, can the minister now tell us whether he, himself, may have told any member of the parliamentary press gallery that such a meeting was taking place this morning.

[*Translation*]

Hon. Jean Marchand (Minister without Portfolio): Mr. Speaker, after I met the television crew in the gallery, I went to the cafeteria on the fifth floor, and it is probable that about a hundred persons noticed that. A newspaperman, a Mr. Drewery I was told—I did not know his name—came to me and asked: Is it true that your house was—

[*English*]

—I think was raided in Quebec City or here in Ottawa. I said there was no foundation for that. Actually, I phoned my wife and asked whether there were any RCMP in my house in Quebec and she said no that she never heard about that. I knew nothing happened here in Ottawa. He said it was a rumour in Toronto. I said: "How come it is a rumour in Toronto". I am ready. I am going to receive the RCMP at nine o'clock this morning. I have nothing to hide. I am ready to receive them but I have an objection that the RCMP, if it is responsible for that and maybe it is not, used any kind of media to make an inquiry of any member of this House or cabinet member.

Mr. Nielsen: It could have been one of your staff.

Mr. Marchand (Langelier): I am just answering the question. This is what I said to the police. I said that if they wanted to meet me in a regular fashion and say, "Do you have anything you can give to the police that can help the police in this investigation", I am ready to meet them any time but not with the press gathered around.

Oral Questions

Mr. Baker (Grenville-Carleton): Mr. Speaker, is the Minister without Portfolio telling the House that he said the discussion with the members of the press gallery took place this morning and did not take place last night. Is that what he is saying?

Mr. Marchand (Langelier): What I am saying, and it is the only important thing, is not that the press gallery should not be interested in that. They are interested in it and rightly so. But what I do not understand is that the first thing this morning when I arrived I learned that some newspaper man knew that I was going to have a meeting with the RCMP. This is the only thing I am complaining about.

Mr. Speaker: The hon. member for Victoria-Haliburton.

Mr. Forrestall: Might I rise on a question of privilege.

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HIGHWAY SAFETY

ALLEGED FAILURE OF STEEL-BELTED RADIAL TIRES—GOVERNMENT ACTION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. It deals with the high rate of failure of steel-belted radial automobile tires, many of which have resulted in automobile crashes involving fatalities. In view of the seriousness of this matter, will the minister say whether his department is monitoring this situation and whether he is planning any measures to protect the motoring public?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, this is virtually the first I have heard of this matter and if there is a responsibility within my department I will be glad to look into it. My recollection is that automobile safety is a matter for the Department of Transport, but I will make sure that the matter is called to the attention of the appropriate parties.

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AIR CANADA

DATE OF TABLING OF ESTEY REPORT—POSSIBILITY OF TWO REPORTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Transport. In light of the transpiration of events concerning the resignation of the chief executive officer of Air Canada and the prospect of more resignations, can the minister now say how many more weeks it will be before the Estey report is circulated and tabled in the House and could he inform us whether Judge Estey has submitted more than one report on his investigation into Air Canada. If so, will both reports be tabled in the House.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not have a precise date about the completion of the work on the report but it still will be some considerable time. The report by Chief Justice Estey was in two parts, the main portion of which was a report dealing with the broad ranging matters of the inquiry; a second, very small report, was a confidential report dealing with certain internal financial and control matters which Chief Justice Estey, as the commissioner, dealt with in a confidential way.

Mr. Mazankowski: In view of the transpiration of events and the circumstances surrounding the Air Canada fiasco, I wonder, Mr. Speaker, whether the minister is now prepared to say whether both reports will be tabled in the House of Commons.

Mr. Lang: No, Mr. Speaker. The commissioner in going in a confidential way into certain aspects of financial matters had determined at that time that those matters and his consideration of them would be confidential and that will remain the case.

* * *

[Translation]

OLYMPIC GAMES

FEDERAL PARTICIPATION IN FINANCING OF GAMES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I apologize to the Prime Minister for returning to the same question concerning the financing of the Montreal Olympic Games.

Since the Quebec government has taken upon itself the responsibility for the Olympic Games, can the Prime Minister inform this House whether representations have been made by the Quebec government requesting a greater federal participation in financing the development of this project?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as far as I know, the Quebec government has not made any such representations. All I know is that Premier Bourassa told me about a year ago that he knew there would be a deficit but he assured me that he would keep his word, that he would not ask the federal government to make up that deficit.

Mr. Beaudoin: Mr. Speaker, I would like to direct a supplementary question to the right hon. Prime Minister. We on this side of the House as well as, I think, all hon. members representing Quebec ridings in the House are surprised to note that there is a party which does not talk about the Olympics, namely the Progressive Conservative party.

Has the Prime Minister or any other minister had any report from the Progressive Conservative party outside the House that they will ask the government to grant some additional funds to the province of Quebec to help to finance the Olympics, or is the Progressive Conservative party still denying that they are concerned by this project, thus playing into the separatists' hands?

Mr. Trudeau: Mr. Speaker, I will be precise: no, I did not hear of any request from the Progressive Conservative party that we should intervene in any way in the Olympics deficit. I would think that they will as usual try to stand on both sides of the question.

[*English*]

SPORTS

PROPOSED AID TO ATHLETES—GOVERNMENT POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, by a curious coincidence I have been waiting for an opportunity to ask the right hon. gentleman whether it would not be a good idea if Canada, the country or the nation spent more time worrying about helping our Canadian athletes and seeing that they are properly financed rather than building monuments.

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, the government has expressed views on that.

Mr. Fairweather: Many of the athletes are on welfare.

● (1450)

Mr. Trudeau: The Minister of National Health and Welfare has a program for assistance to athletes at the Canada games, the PanAmerican games and various games in which Canadian athletes participate. We think this is indeed a very important question. The question of the Olympics itself, which does require buildings, was raised in a completely different fashion, and I point out to the hon. member that his party supported the government when it proposed certain legislation to permit the self-financing of the Olympics.

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CANADIAN NATIONAL RAILWAYS

REQUEST THAT LAY-OFFS AND JOB TRANSFERS FROM CAPE BRETON BE DELAYED

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. In light of the tragically high unemployment rate on Cape Breton Island and, indeed, in all the rest of Nova Scotia, would the minister contact the President of Canadian National Railways and ascertain if a moratorium could be declared on all job transfers out of the area and all lay-offs, including members of the police staff of Canadian National Railways?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will treat those remarks as a representation and act upon them accordingly.

* * *

AGRICULTURE

MARKETING BOARDS—REQUEST FOR STATEMENT ON METHOD OF OPERATION

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Agriculture. Because of the interest shown lately in marketing boards in the country, would the minister make a statement on motions about the procedures used by marketing boards, making a particular distinction between selling agencies and supply-management boards?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if there is anything I have been accused of, it is of making too many statements on marketing boards. I am sure the records show there has been much said. It is too bad people do not read them.

Some hon. Members: Oh, oh!

* * *

MULTICULTURALISM

REQUEST FOR REVIEW OF PROPOSED POLICY CHANGES

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Prime Minister. It relates to the proposed changes in the present multiculturalism program which have been suggested to cabinet by the Minister of Labour, who is in charge of multiculturalism. In view of the bombardment of information relating to bilingualism, including a recently announced bilingual districts recommendation, would the Prime Minister review the proposed changes in the multiculturalism program in order that those Canadians who are not members of Canada's two majority language groups will not be made to feel that they are second class citizens?

Right hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that seems to me to be a somewhat rhetorical question. Nobody on this side feels that the group of Canadians who are non-English and non-French are second class citizens. I hope the hon. member in his question is not implying that he does.

Some hon. Members: Oh, oh!

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSITION OF PROVINCES ON APPLICATION OF GUIDELINES IN AREAS OF PROVINCIAL JURISDICTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Finance regarding the meeting with representatives of the provinces yesterday and the subject of the government's anti-inflationary program. On Tuesday last the minister said, and I quote: "I hope to be able to report more fully to the House after that meeting as to the final position of the various provinces." With regard to areas peculiarly within the jurisdiction of the provinces, such as public officials, teachers and so on, is the minister able to say that all the provinces have now agreed either to allow this area of jurisdiction to be handled by the Anti-Inflationary Board or to establish their own machinery for this purpose for the life of the government's bill?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it was not possible to obtain agreement on that point. There was agreement that the question should be addressed when the bill has received Royal Assent and when the regulations have been made available for scrutiny. With respect to those provinces which have not yet

declared themselves—that is to say, all of those except for Ontario, Quebec and Alberta—I think a fair summary of their position is that they have made no commitments as to whether they would participate under clause 4(3) or clause 4(4). They are leaving that option open, with the possible exception of Saskatchewan, which left open the possibility that it would not participate in the anti-inflation program at all.

Mr. Stanfield: While the minister told the House on November 14 that the provinces had been provided with a full background in order to make a decision, that is not the view of a significant number of provinces, and I ask the Minister of Finance whether a number of provinces have already made it clear that they will not make a commitment beyond a period of time substantially shorter than three and a quarter years?

Mr. Macdonald (Rosedale): As the hon. gentleman knows, with regard to the second part of the question, that certainly has been the position of the province of Alberta. We have put out to the provinces in turn the desirability of having a national program to cover all Canada, one which should be of general national application, so far as that can be achieved.

With regard to the question on information, we had, of course, not only given the provinces the information in the white paper, but there was further consultation at a finance ministers' meeting and at officials' meetings. The decision most of the provinces declared yesterday was that they would make their final decision on clause 4(3) or clause 4(4) after they had had an opportunity of seeing the bill in its final form and examining the proposed draft agreement which, in the case of clause 4(3), had been set before them, and also after they had an opportunity of examining the regulations, so this does represent an evolution from the previous position.

Mr. Stanfield: In other words, the Minister of Finance is asking the Parliament of Canada to make a final decision on the bill without the Parliament of Canada having any definitive knowledge as to what the position of the provinces will be with respect to the bill?

Mr. Macdonald (Rosedale): Not quite, Mr. Speaker. The provinces yesterday indicated that while there were questions of detail, with the possible exception of Saskatchewan, the other provinces indicated that except for those questions of detail they would support the program.

Mr. Stanfield: For how long?

Mr. Macdonald (Rosedale): The manner in which they will support either clause 4(3) or clause 4(4) is a matter on which they have chosen to reserve judgment until the legislation is definitive in its final form and until the regulations are before them. This, of course, is their option. Somebody has to make a decision in this regard, and I think the first decision should be made by the Parliament of Canada.

Some hon. Members: Hear, hear!

[Mr. Macdonald (Rosedale).]

AGRICULTURE

OFFER OF WHEATLAND GRAIN LIMITED TO PURCHASE ELEVATOR AT LETHBRIDGE—GOVERNMENT POSITION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In August of this year I wrote to the minister informing him of the desire of a Lethbridge firm to purchase the terminal grain elevator in Lethbridge. In light of the fact that a story appeared in the Lethbridge *Herald* this week stating that two foreign-owned firms were negotiating with the Canadian Grain Commission, would the minister inform the House if this means he has ignored my representation made on behalf on Wheatland Grain Limited of Lethbridge, which is an all Canadian-owned firm?

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the elevator has been one which has not made very much money for the Government of Canada and has cost taxpayers a great deal of money. I do not think there is any way I should give it away, and if the hon. member knows someone who wants to make a reasonable offer for it, that offer will be considered, the same as any other offer made for that elevator.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—FORMULA TO BE USED BY MARKETING BOARDS IN COMPUTING COST OF PRODUCTION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to return to the Minister of Finance on the matter of marketing boards, and while doing so to protest the horrible mistake in this morning's *Globe and Mail* in listing me as a Progressive Conservative.

Some hon. Members: Oh, oh!

An hon. Member: We don't need you.

Mr. Muir: What an insult to the Conservatives.

Mr. Benjamin: I know they need help, but I do not want to be the one to give it.

Mr. Baker (Grenville-Carleton): We don't need it from you.

Mr. Benjamin: In the negotiations yesterday regarding the position of marketing boards under the anti-inflation program was agreement reached with the provinces on the criteria for costs of production in order to follow the cost pass through formula? Was agreement reached on a formula of cost of production, or will the formula under federal legislation, which is totally inadequate, be relied upon in computing cost of production on which basis marketing boards set their prices? Secondly, can he tell us who will have the authority to require marketing boards to live up to the restraint program? Will it be the Anti-Inflation Board or will it be the Farm Products Marketing Council and the provincial natural products marketing councils who will have the authority?

● (1500)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have already answered that question as posed by the hon. member for St. John's East. With regard to the first part of the question, it was agreed the cost pass through method would be applied.

Mr. Speaker: The hon. member for Dartmouth-Halifax East (Mr. Forrestall) on a question of privilege.

Mr. Forrestall: Mr. Speaker, I rise on the first opportunity available to me to bring to the attention of the House a matter that I am sure the Minister without Portfolio would not want to leave without having corrected. As an individual who witnessed the events this morning at nine o'clock, I have some concern with the sequence which the minister has left with the House.

The minister might want to refresh his memory and recall the exact sequence of the conversation he had with Mr. John Drewery of the CBC, a rather distinguished war hero and a man of some integrity. Mr. Drewery conveyed to me the essence of certain conversations that he had with the minister shortly after nine o'clock this morning, not around ten o'clock. The minister might want to correct the sequence of events so that there is no misunderstanding as to when he had his conversations with Mr. Drewery.

[*Translation*]

Hon. Jean Marchand (Minister without Portfolio): Mr. Speaker, I am less precise in English than in French, but then I may not be precise in either of the official languages. Anyway, let us say that I am more at ease in French. I said nothing to any newpaperman yesterday. The interview was set up. My secretary told me: the RCMP want to see you. I said: Yes. She asked: When? I said: As soon as possible; whenever you can find a moment, I am willing to meet the RCMP to discuss these matters. I talked to a newspaperman for the first time in the cafeteria after—

Mr. Forrestall: After ten.

Mr. Marchand (Langelier): No, not after ten, but after I arrived at my office and found a photographer, a cameraman. I know because I was there.

Mr. Forrestall: I was there too.

Mr. Marchand (Langelier): Perhaps the hon. member was still asleep, but I was not. I merely say that, when I entered the Parliament Buildings, there was a cameraman. Yet, I have done a number of things, here, in Ottawa. For the first time in my life in Ottawa, there was a cameraman who, at 8.30 a.m., was taking pictures of me going up the stairs. Later, around 8.45, 8.50 or 8.55 a.m., I went to the cafeteria. A newspaperman came to talk to me. I told him: I am meeting the RCMP at 9 a.m. The RCMP were not there at 9 a.m.; they came at 9.15. I was there at 9. I am not the RCMP, I have not all the rights they may have. I merely say that those who are appointed to defend the civil rights of citizens should defend the civil rights not only of ordinary citizens, but also of Members of Parliament and public officials.

[*English*]

Mr. Speaker: The right hon. Prime Minister on the same question of privilege.

Mr. Trudeau: On a different question of privilege, Mr. Speaker, relating to the same general question. Because of the peculiar nature of the questions asked by the right hon. member for Prince Albert (Mr. Diefenbaker), I want to make it perfectly clear in the House, on a question of personal privilege, that there are no orders, no theory and no practice under which the police must ask my permission to talk to any minister, any member of the House of Commons or any member of the Canadian public.

I happened to know of this particular visit because the minister informed me yesterday that he was going to respond to their request. I know of other ministers who in the same series of investigations have been visited by the police. They did not tell me nor, do they have to tell me. Therefore, there is no practice, nor do I wish to establish one, of the police letting me know when they are going to carry out any particular investigation. The reason I interrupted this one in its course is that I think it important to follow up on the question of publicity, as has been stated by the hon. member.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: I rise on a point of order, Mr. Speaker. I want to ask the government House leader the usual question with regard to the business the government intends to place before parliament in the next week.

Mr. Sharp: Mr. Speaker, it is our intention to proceed with Bill C-73 today and complete the report stage. If there is unanimous agreement, which I hope there will be, we shall proceed today to third reading. We shall continue to debate this bill until third reading has been disposed of. I have been having some conversations with my colleague, the minister responsible for the Wheat Board, about the possibility that we might then proceed to Bill C-41. If we can reach some agreement with respect to that debate, we shall proceed on that basis; if not, we will take any bills that have been reported from standing committees so they can be sent to the Senate as quickly as possible.

Mr. MacLean: Mr. Speaker, in the event that unanimous consent to go immediately to third reading of Bill C-73 is not obtained, would the government House leader tell us what he intends to substitute?

Mr. Sharp: Mr. Speaker, we would then proceed with Bill C-41.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as the government House leader knows, I have been asking every Thursday, for four or five weeks, about the progress

of a bill recommended by the Standing Committee on Veterans Affairs concerning Canadian veterans who were prisoners of war. In view of the fact that the Minister of Veterans Affairs found it difficult to assure the standing committee this morning when this legislation might come in, and in view of the desire of the committee to have the legislation during the present session, can the government House leader give us the hope that this will happen?

Mr. Sharp: Mr. Speaker, I really cannot commit my colleagues. The matter is still on the agenda of cabinet, but no final decision has been taken.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

VETERANS AFFAIRS

Eighth report of Standing Committee on Veterans Affairs, in both official languages—Mr. Boulanger.

NATIONAL RESOURCES AND PUBLIC WORKS

Sixth report of Standing Committee on National Resources and Public Works—Mr. Martin.

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

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[*English*]

AIRPORTS

MIRABEL—TABLING OF SUMMARY OF TENDERING PROCEDURE FOR DUTY-FREE SHOP

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I wish to table, under Standing Order 41(2), two copies of the summary of tendering procedure for Mirabel duty-free shop, in both official languages.

* * *

NATIONAL DEFENCE

STATEMENT ON DEFENCE STRUCTURE REVIEW

Mr. Speaker: Order, please. I understand that a tabling of documents will be accompanied by a statement on motions.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, decisions of far reaching importance for the future of the Canadian Armed Forces have been made by the government, and I wish at this time to inform the House of the conclusions the government has reached at this stage of the defence structure review.

The government has confirmed the four priority roles of the Department of National Defence, which are: first of all, a commitment to the defence, security and sovereignty of Canada; secondly, a commitment to the defence of North America; thirdly, a commitment to collective security within the NATO alliance; and fourthly, a commitment to our country's unique and important contribution to international peacekeeping.

The conclusions of the defence structure review confirm that Canada will continue to have a combined regular and reserve force of more than 100,000 personnel, made up of 78,000 regular personnel and 22,000 reserve personnel. This combined regular and reserve force of 100,000 will ensure that the Canadian Armed Forces will continue to be able to protect Canadian sovereignty, to contribute to national security, and to provide the timely reaction to any civil emergency tasks to which only the forces can respond.

The government recognizes that substantial modernization and replacement of major items of military equipment must be started immediately in order to ensure that the Canadian Armed Forces maintain their capability to carry out effectively their four priority roles.

● (1510)

Other major decisions that I wish to announce are: first, Canada will continue to maintain in Europe a land force and an air force designed and equipped to contribute a strong combat capability to NATO's collective defence of the central region. Second, modern and effective main battle tanks will be provided, either by retrofit or acquisition of new tanks, in order to ensure that our army contingent in Europe possesses the necessary up to date equipment to fulfil its assigned tasks beside our NATO partners. Negotiations for the acquisition of new tanks, or the complete modernization of our present tank force, are to be initiated immediately.

Mr. Stanfield: Which of those two things are you going to do?

Mr. Richardson: Third, to replace our Argus aircraft the government has decided to purchase a fleet of 18 Lockheed P3 long-range patrol aircraft, at a cost of $642 million in 1975 dollars. Other related costs, including spare parts, ground data centres, federal sales tax, contingencies and an allowance for inflation between now and final delivery, will bring the total expenditure to approximately $950 million. Some additional costs may be encountered in order to accommodate the payments on this program within the capital growth provisions to which I will refer later. The new aircraft will be designed primarily to carry out military tasks essential to North America and NATO defence, as well as providing us with a much improved capability to carry out the long-range surveillance needed to protect our growing sovereignty interests in the waters off our coasts and in the Arctic.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): You are four years late.

Mr. Richardson: Fourth, the air combat capability of the air force squadrons in Europe is to be maintained at its present level. Air defence forces in Canada are to be maintained at a level of capability to meet sovereignty requirements for identification and control of intrusions into Canadian air space.

Fifth, the structure of the Canadian Armed Forces will provide for up to 2,000 personnel to be available for United Nations peacekeeping purposes at any one time.

These decisions cover those matters of the defence structure review concerning the posture and equipping of the Canadian Armed Forces on which immediate action will be taken. The review will continue on questions concerning the replacement of fighter aircraft and ships.

Particularly significant to the future of national defence is the fact that the government has recognized the need to compensate for inflation in the department's personnel, operations and maintenance budgets for next year and in subsequent years.

To conform with the government's policy of economic restraint, the Department of National Defence will find from within its currently planned budget the funds required next year for the start of the tank and the long-range patrol aircraft programs. In following years, the government has agreed that capital expenditures for defence are to be increased, in real terms, by 12 per cent each year for the next five years until capital expenditures reach at least 20 per cent of the total defence budget.

As part of the defence structure review, there has been an assessment of the infrastructure required to support the operational components of the forces. Infrastructure includes headquarters, bases, training and educational facilities and logistics. In aggregate, this infrastructure support requires a large part of the total personnel and financial commitment of the defence program. Over the years there has been some consolidation in these areas, but I believe that our present infrastructure is still larger than is needed to support our operational forces, and for that reason some further consolidation of these support facilities could achieve cost savings without impairing our operational capability. For that reason, I intend to make recommendations to cabinet within the next few months concerning a better balance of support capability to operational capability, which will increase proportionately our combat capability relative to our infrastructure and support facilities.

I believe, Mr. Speaker, hon. members will agree that these decisions are of far reaching significance for the Canadian Armed Forces and for Canada and, in fact, for the NATO alliance. Our national commitment to the protection of Canadian sovereignty and to the preservation of freedom has been reinforced once again by the decisions taken by the Canadian government. There is every reason to believe that these decisions will boost the morale of the Canadian Armed Forces and will increase still further the pride which Canadians have in the dedicated and capable men and women who serve Canada in our armed forces.

Mr. Speaker: Order, please. The Chair is not clear whether the minister was to make a statement, or make a statement and table documents. I take it to be the wish of the minister to make a statement and not to table documents.

Mr. Richardson: Yes, Mr. Speaker, that is correct.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I thank the minister for providing me with an advance copy of his statement. First may I say that we in this party welcome this belated indication showing that the government may finally have turned a corner in their treatment of Canada's forces. The scales seem finally to have dropped from the Prime Minister's eyes.

It is interesting to note the timing of the announcement. Last spring the Prime Minister (Mr. Trudeau), went to Europe seeking his personal Holy Grail, a contractual link with western Europe. It is common knowledge that our European allies, particularly West Germany, were refreshingly blunt: the contractual link was to be tied with a NATO knot. It will be one of the delicious ironies of history that the Canadian forces are indebted as much to the German Chancellor for their equipment as to their own government. An assist goes to the Secretary General of NATO, Mr. Luns, who found the situation so serious that he broke all the rules of protocol for his position by speaking out in public about Canada's inadequacy in equipment.

As for the equipment, one's immediate reaction to the selection of the Lockheed aircraft with an American avionics package is to ask, whatever became of the Canadian input into the electronics business? The minister's flatulent press release of December, 1973, said in part:

The contract definition phase will include the employment opportunities and industrial benefits which will accrue to Canada.

Then further:

Proposals from all four contractors indicated a substantial involvement by Canadian companies in the construction of the proposed LRPA, as well as the manufacture of the necessary electronic and surveillance systems.

The question is, will the commitment made by the minister be carried out; will Canadian firms receive some of these contracts? The government seems confused about its defence needs, still not having made up its mind whether to buy new tanks or to refit older ones. I hope the government will seriously consider the Leopard II, which is a superior tank. Also, we should consider the question of a retrofitted, 30-year old Centurion tank which, according to CDS, will cost $750,000 to refit. I believe that new tanks can be purchased for about the same cost. I hope the minister will provide a firmer answer as soon as possible with regard to the tanks.

● (1520)

The minister's message obviously misses two large and important aspects of defence. Firstly, there is no mention of future shipbuilding for our navy, which will likely be requiring patrol vessels in the foreseeable future. Given the length of time required between the decision to build, and delivery—some six years—now is the time for decision if we are to be in any way prepared to patrol a 200-mile fishing or commercial zone.

Finally, the minister's remarks say little about the changing mode of warfare. Now is the time when we should be hearing the minister's thoughts on cruise missiles. Are we considering airborne warning and control systems? On page 4 of the minister's statement he said: "In following years, the government has agreed that capital expenditures for defence are to be increased, in real terms, by 12 per cent each year". With military inflation running at 28 per cent to 30 per cent, I do not know how we can possibly keep our head above water and find the money to

purchase all this new equipment. Fortunately, the opposition have an opposition day coming soon, and these and other omitted matters can be discussed at that time.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the minister based his statement on the defence program upon four major priorities: the defence of Canadian sovereignty, the defence of the North American continent, support of the NATO alliance, and assisting in peacekeeping operations around the world. It is almost impossible to deal with these bits and pieces of announcements by the Department of National Defence without recognizing that all of them have been based on a major fallacy. We are not a great military power. Since the end of World War II we have been trying to ape the great military powers, with the result that we do a little bit of everything but do not do anything particularly well.

A country of 23 million people has to recognize that it must set one or two priorities for things it can do properly, without trying to do other things which are beyond its financial capacity. There can be no doubt about the top priority: there must be greater emphasis and greater expenditure of money—whatever it may require—for the defence of our sovereignty and for the patrolling of our coastal waters and our northern areas, so that Canada may let the world know it is in a position not only to defend itself but to see that its waters and air space are not violated.

I think that North American defence is the number two priority, although I would not necessarily want to see it carried on in the form it is at present. I doubt that NORAD has given us value for the amount of money we have been investing in it, nor do I think we should be tied up in a North American air defence program to the extent that we are today.

I would place the third priority on Canada's peacekeeping role on which we spend a relatively small amount of money compared to our total expenditure. This is the kind of contribution which Canada is uniquely fitted to make. The great superpowers, and even many of the major powers, because of their imperialist background and their days of colonial possessions are not acceptable in regard to supplying peacekeeping forces in some areas of the world. This is a service for which Canada is particularly suited and able to fill, because Canadians generally are recognized as not having any territorial ambitions. Our troops have been well disciplined and well accepted wherever they have been used. This is the kind of role which Canada can play in an increasing measure.

I would put at the bottom of the priorities the support of the NATO alliance. First, this is going to be a very expensive role for us to fill. Already, as the minister has indicated, something must be done about the battle tanks which we have in our NATO forces in Europe. Apparently the government has not made up its mind, but it will have to decide whether to refit the Centurion tanks, which I understand can be done for about 50 per cent of the cost of buying new tanks but will have only half the life expectancy. What their comparison is in fire-power, I do not know. I hope the minister will tell us in the question period. However, this is a decision which will have to be made.

[Mr. McKenzie.]

Whether the Centurions are refitted, or new tanks are purchased, it will mean a very large capital investment. If we are going to keep troops in Europe, they ought to be equipped with the very best military equipment that can be procured. However, such an expenditure, on top of the expenditure for new interceptors which will have to be purchased if we are going to keep forces in Europe, will place a very heavy burden upon the Canadian defence budget.

The time has come when we ought to be phasing out our NATO responsibilities. I know the government made a move to reduce the number of troops. When we entered into the NATO alliance surely we did not commit ourselves to staying in Europe forever. I know that snide remarks have been made by some European statesmen. The suggestion has been made that if we do not put more troops and capital equipment into NATO, we may have some difficulty realizing the fond hope of the Prime Minister (Mr. Trudeau), namely, a contractual link in Europe. I hope the government is not going to be intimidated by a suggestion like that. The Republic of France, which is a member of the European Economic Community, has withdrawn its military forces from the control of NATO. No one has suggested they should get out of the European Economic Committee or even the NATO Alliance. I doubt very much whether the four roles outlined by the minister can be fulfilled within the financial capability of the people of Canada. If we are to carry out the other roles effectively and efficiently, the NATO role will have to be substantially and steadily reduced.

The main announcement made by the minister was the fact that the government proposes to purchase, at a cost of $950 million, the Lockheed P3 long-range patrol aircraft, which I understand is the Orion with some modifications. This plane has been used by the United States navy and, I understand, has proven to be very serviceable.

● (1530)

There can be no argument as to the need at this time for an effective, new, long-range aircraft and there can be no argument about the fact that the Argus has now outlived its usefulness. Whether or not the Lockheed Orion is the best plane to replace the Argus, I for one—and I am sure this applies to most of my colleagues in the chamber—am not competent to judge. I think we must leave that to the minister, in consultation with his advisers.

The question I wish to raise is, what part of the $950 million for the Lockheed is to be spent in Canada to provide jobs for Canadians and to put some muscle into the Canadian aircraft industry? Ministers have been singularly evasive when answering questions about the Canadian aircraft industry. The situation is that the government has already acquired de Havilland and has an option to purchase Canadair. I understand the option expires in December, but it is quite possible it might be extended. I am informed that MacDonnell-Douglas have suggested that if de Havilland and Canadair could be merged, they would be prepared to take a small equity position in the new organization. If the F-15 were to be purchased by the Department of National Defence, they would be prepared to put 20 per cent of the total cost of the package into contracts with the merged corporation of Canadair and de Havilland. I do not know whether the

press reports are accurate in this respect. As I say, we have been unable to get any direct information from the government. I asked the Minister of Industry, Trade and Commerce (Mr. Jamieson) some questions about this the other day. He was most evasive, to say the least, though, of course, in a most pleasant way.

We ought to know these things. Is there a package arrangement by which a certain proportion of this $950 million will be spent in Canada or does the government intend to allow the Canadian aircraft industry to go down the drain? What will the government do with Canadair? Is there a role for Canadair either in the building of long-range planes or reconnaissance planes in the future?

Other matters beside the question of national defence are at stake here. There is the question whether or not this large sum of money which parliament is being asked to vote is to be used to help develop an aircraft industry in Canada and provide jobs for Canadians. If we fail to take such a course, we shall become increasingly dependent upon United States or other foreign manufacturers of aircraft for our supplies.

To me, it is inconceivable that in this modern age, a highly industrialized nation like Canada should allow its small aircraft industry to wither away. I hope that when the minister is answering questions, this is one of the questions he will deal with so we may know what the government intends to do about de Havilland and Canadair, and whether these firms, either separately or together, will have anything to expect from this sum of nearly a billion dollars which the government is spending on long-range aircraft.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to draw the minister's attention to the fact that when he made his statement we had received only the English copy of the statement. I wonder whether the minister has not at his service some bilingual French Canadians who could translate his statements so that we get both the French and the English copy at the same time.

I had the pleasure of visiting Lahr in Germany and hearing the very interesting conferences on defence in Europe and on the group of Canadians stationed in Europe. According to the conferences I heard, since Canada has always provided the best soldiers, the best aircrew as it were, I think it is normal that we give them the tools which are necessary to be ready for the defence of Europe or to meet the commitments of Canada towards NATO.

I agree with the Minister about the purchase of this long range patrol aircraft. There is however one thing which worries me about the repair of tanks. I think repairing old vehicles is money spent ineffectively. As the minister said earlier, I think we should ensure that our forces are well equipped with tanks to be always in the forefront of development as far as our defence in Europe is concerned.

[*English*]

Mr. McKenzie: I have one or two questions to ask the minister, Mr. Speaker. Will he tell us the exact date on which the first Lockheed LRP aircraft will be delivered to Canada?

Mr. Richardson: We expect delivery of the first aircraft in April, 1979. The others will be following quickly during that year. Most will be delivered during 1979, perhaps the last four or five in early 1980.

Mr. McKenzie: Can the minister tell us whether any of the work will be done in Canada, as he promised in his statement in December, 1973? Then, perhaps, he could tell us when the first new tanks, or the first repaired tanks, will be made available.

Mr. Richardson: The industrial benefit for the aircraft industry of the Lockheed purchase is very substantial for Canada. We have negotiated some $283 million which has been confirmed, but there is an almost equivalent amount, some $285 million, unconfirmed, which would make a total of more than $560 million worth of work in Canada. This aspect is primarily the responsibility of the Minister of Industry, Trade and Commerce, and I believe that in the days and weeks ahead he will be speaking in more detail about the individual industries which will benefit and how the work will be placed in Canada. However, as I say, there is very substantial industrial benefit to Canada, and this follows and confirms the statement I made earlier to this effect.

Mr. McKenzie: I hope the minister will use his influence to have some of this work done by CAE in Winnipeg. I should like to ask him about the 12 per cent increase each year in capital expenditures. Does he not realize that military inflation is running around 28 per cent to 30 per cent. Would the hon. gentleman give us an explanation?

Mr. Richardson: Yes, I would be glad to. The figure of 12 per cent is real growth. The hon. member perhaps missed those words in the statement. It is real growth above whatever inflation does to our capital budget. For example, if inflation is 5 per cent, the increase will be 17 per cent; if inflation is 10 per cent, we would be increasing capital expenditure by 22 per cent.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, I should like to ask the minister about not having yet made a decision regarding reinforcing or making over our old tanks, which are 30 years old in Europe today, as opposed to buying a new, modern, up to date, battleworthy tank.

● (1540)

I am sure the minister is familiar with the condition of these old tanks. I saw them three years ago when, as military critic, I inspected the base there. The minister knows that our present tanks can hardly make it out on to the road. They are held together with baling wire, and they find it very difficult to go even a few miles without breaking down. The minister knows that is the fact. If he is not aware of it, he should talk to the serving officers over there and they will confirm what I say.

Can the minister now advise the House the reason for the delay in making the decision to buy a new, battleworthy tank like the German Leopard, which is a first-class tank, and is the minister seriously considering reconstructing these worn out, 30-year old tanks which literally are falling apart at the present time?

Mr. Richardson: Mr. Speaker, there are at least two reasons for keeping open the option to refit the Centurion. One is cost. As was said by the hon. member for Nanaimo-Cowichan-The Islands, the refit could be done at about half the cost of purchase and we must consider that. We must also maintain our negotiating position. I do not want to be committed to only one tank and one country at this time. We still have to negotiate the purchase, and the result of this negotiation will have an effect on what we finally recommend to cabinet.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I want to ask the minister about the amount that will be spent in Canada for the manufacture of these 18 Lockheed Orions. Do I understand him to say that some $560 million out of the $950 million will be spent in Canada to make parts, or to manufacture spare parts under the contract? If so, does the government have a contract or agreement with Lockheed to that effect, and does the contract spell out those companies to which these subcontracts will be granted?

Mr. Richardson: Mr. Speaker, as I indicated earlier, this is an area that more properly belongs to my colleague, the Minister of Industry, Trade and Commerce. He will be commenting in detail on the industrial benefits. The figures I gave are correct, but I should point out that there is only $283 million that has been absolutely identified and confirmed with the Lockheed company. They have indicated that an equivalent amount, some $285 million, which is under what is called a best-effort arrangement, may be spent. In other words, I cannot say that they will achieve all of this amount, and neither can they. This depends partly on what other aircraft they sell to others. This total of $560 million is not all work on our 18 aircraft; it includes offset work which we will be doing in Canada. We will be doing this work for other Lockheed aircraft. We may be working on parts for 100 or more aircraft even though we have purchased only 18. This is why the figure is as large as it is, and obviously it is very beneficial to Canada.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister who carried on the negotiations with Lockheed? Was it the Department of National Defence, and has an agreement been signed which, as I understand the minister's figures, is a commital to $283 million being spent in Canada, with another $285 million which they will put forth their best efforts to spend? I do not know how much that is worth in an agreement, but they will put forth their best efforts in Canada. Are the two figures that I have quoted contained in the agreement, and is there anything further in the agreement respecting Canadair, or was there any arrangement with Canadair and de Havilland?

Mr. Richardson: Mr. Speaker, the negotiations were carried on by the project office which had interdepartmental representation including Industry, Trade and Commerce. The project office is headed by General Allen of National Defence. The $283 million was confirmed in those negotiations.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. The minister says the $283 million is confirmed in the agreement. Is there a letter of intent concerning the $285 million, is there any reference to it in the agreement, or is it worth anything except a way of putting off criticism in a debate?

Mr. Richardson: Mr. Speaker, it is exactly what it says. It is best-efforts. It is not confirmed. It is not signed in the agreement but it is work that has been identified. As I said a moment ago, it depends on factors that are now beyond the control of the Lockheed company itself. It depends on how many aircraft of this type may be built for the United States navy or for others. Therefore, it is put forth as a best-efforts proposition, but I think it will be further defined in the weeks ahead by the Minister of Industry, Trade and Commerce.

Mr. Speaker: Order. I see three other members who are anxious to ask questions, the hon. member for Regina-Lake Centre, the hon. member for Edmonton Centre, and the hon. member for Richmond. I hope that will be sufficient to tie down any outstanding points that are left. Perhaps the hon. member's colleagues in the corner might be able to collaborate on questions that might be put by whichever member of the two is going to survive, but I think we should bring this debate to a conclusion.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, can the minister tell the House what will become of the aircraft which are now used for training our airmen?

[*English*]

Mr. Richardson: Mr. Speaker, the Argus aircraft will be continuing in operation until the delivery of the Lockheed, and that is more than three years away. As I have said, April, 1979, is the date we expect to take delivery of the first Lockheed. At that time the Arguses will have completed their operational life. They will, of course, become available for sale through Crown Assets if there are buyers, but I cannot predict at this time whether there will be buyers.

Mr. Paproski: Mr. Speaker, would the minister advise the House whether the decision he has referred to cabinet concerning the LRPA recommends one type of plane only, and is this one type of plane the one that was considered throughout the final definition stage? Secondly, would the minister advise the House whether the recommended plane will have a Canadian or foreign, avionics package; and is this, too, part of the original offer that qualified for the final definition phase?

Mr. Richardson: Mr. Speaker, if I understand the question correctly, there is only one type of plane; that is, we are only purchasing one type. All 18 aircraft are of the one type. There was another Lockheed considered, called the P3C, which was an "off the shelf" aircraft used by the United States navy. The one we are buying, the Lockheed long-range patrol aircraft, has special avionics equipment, some of which comes from the S3A carrier-borne aircraft of the United States navy. It also contains other equipment, some of which is Canadian, some American. But it is an entirely modern aircraft with new generation avionic, navigational and radar equipment.

Mr. Broadbent: Mr. Speaker, given the government's financial interest in Canadair and its outright ownership

of de Havilland, what work has been done by, presumably, his department and the Department of Industry, Trade and Commerce in terms of coming to grips with the issue of the rationalization of the existing Canadian aircraft industry?

● (1550)

Mr. Richardson: Mr. Speaker, that is a question that strictly belongs in the area of my colleague, the Minister of Industry, Trade and Commerce, who I know intends to address himself to it in a very few days.

Mr. Broadbent: Just one last supplementary question, Mr. Speaker, on the general statement made by the minister. Given his announcement that the costs for re-equipping or rebuilding the Centurions would be about half what it would cost to purchase new tanks, would the minister inform the House what would be the best purchase, in terms of financial outlay, if we consider the over-all longevity of the new tanks versus the refitted Centurions?

Mr. Richardson: Mr. Speaker, I am certain that this consideration will go into the final recommendation to be made. We will be putting the options before cabinet. What we have really done today is establish in principle that our ground forces in Europe will be equipped with a main battle tank. We now must go back and study not only the current costs but, as the hon. member has pointed out, the lifetime costs of the tanks, and this will be part of the recommendation to be made very shortly.

* * *

QUESTIONS ON THE ORDER PAPER

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,167, 3,181, 3,185, 3,230, 3,264, 3,289, 3,478 and 3,505.

[*Text*]

ASSURED MAIL SERVICE IN DELTA

Question No. 3,167—**Mr. Reynolds:**

With reference to the answer to Question No. 234 which stated that assured mail service would be going into Delta by the spring of 1975, has such a programme been instituted and, if not, on what date is the latest expectation on the starting of such service?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): While it was our intention to extend the assured mail programme to Delta, our detailed study of the situation there revealed that the application of the normal criteria for assured mail would not improve service to customers of the Delta Post Office and it would increase costs. For example, should a morning collection be made the volume would be small and, with the exception of mail for Delta itself, would have to be sent to Vancouver for inclusion with mail originating there. This additional handling would tend to negate the advantage gained by earlier collection. On the other hand, by maintaining the later collection time presently in effect, sufficient volume is mailed to make up direct bags to several centres in western

Canada and the service accorded these mails is the best that can be achieved considering all the factors. At the same time it is possible to provide next day delivery for mails destined to Vancouver, Victoria, New Westminster, Surrey and White Rock. Considering all the factors we have concluded that extension of the assured mail programme to Delta would not result in any appreciable improvement in service, consequently we have cancelled our plans for extending the programme at this time. You can be assured, however, that our officers in the Delta area will maintain a continuing review of the situation and introduce changes which will benefit the customers of the Delta Post Office.

CANADA-NEWFOUNDLAND ACCORD

Question No. 3,181—**Mr. Marshall:**

Are negotiations taking place with the Province of Newfoundland to develop complementary programmes for the protection and enhancement of environmental quality and, if so, on what date is it expected that an agreement will be signed?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): Yes, we are confident that the Canada-Newfoundland Accord for the Protection and Enhancement of Environmental Quality will be signed soon, although no date has yet been determined.

AD REFERENDUM AGREEMENT, CANADA-USSR

Question No. 3,185—**Mr. Marshall:**

1. Was the *ad referendum* agreement on fisheries referred to the USSR for their consideration and approval and, if so, has it been approved and on what date?

2. Has the Canada, USSR Joint Fisheries Consultation Commission been established to strengthen bilateral fisheries cooperation between the two countries in the Northwest Atlantic?

3. Has the USSR appointed a soviet fisheries official in Halifax and, if so (a) on what date (b) what is his name?

4. In accordance with the Record of Understanding issued after the Canada, USSR fisheries talks of August 25 to 27, 1975, has a date been set to consider the elaboration of a further bilateral agreement on fisheries cooperation and, if not, what are Canada's intentions with regard to holding such a meeting at the earliest opportunity?

5. Has the agreement between the USSR and Canada referred to by the two governments been approved?

6. Has the Canada, USSR Joint Fisheries Consultation Commission been established?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): 1. Yes, the ad referendum agreement on fisheries has been approved by the U.S.S.R. Arrangements for formal approval by the government of Canada are under way, and if this approval is granted, the agreement can be signed and come into force shortly afterwards.

2. No, it will be set up when the agreement has been signed and comes into force.

3. No, this cannot take place until the agreement has been signed and has come into force.

4. No date has yet been set. Both countries are eager to have early discussions, and hope to sit down early in the new year.

Order Paper Questions

5. Please refer to answer to part 1.

6. Please refer to answer to part 2.

CONTRACTS AWARDED TO ROGER GAGNON

Question No. 3,230—**Mr. Coates:**

1. For the period 1968 to 1974, has the (a) Department of Public Works (b) Ministry of State for Urban Affairs (c) Department of Regional Economic Expansion (d) Central Mortgage and Housing Corporation (e) National Capital Commission awarded any contracts to Roger Gagnon and, if so, in each case, were tenders called for the awarding of such contracts?

2. What, if any, recommendations were made on behalf of Roger Gagnon by any Member of Parliament in regard to the awarding of such contracts?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a), (b), (c), (d), (e) No.

2. Not applicable.

CANADA PENSION PLAN

Question No. 3,264—**Mr. Mazankowski:**

1. How much money has been (a) collected in premiums (b) paid in benefits since the inception of the Canada Pension Plan?

2. (a) How much money has been made available to the provinces from the Canada Pension Plan fund, since it's inception (b) what are the interest terms for repayment (c) what monies have been returned by the provinces to date?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. (a) $8,363,645,402 as of September 30, 1975. (b) $1,442,133,000 as of September 30, 1975.

2. (a) $8,866,925,000 as of October 1, 1975. (b) The Canada Pension Plan legislation provides that excess moneys in the Canada Pension Plan account be invested in provincial securities with a term to maturity of 20 years, or such lesser term as is deemed appropriate by the Minister of Finance, and are redeemable, in whole or in part, only at the option of the Minister of Finance after six months' notice in writing. All securities currently outstanding have a term of 20 years and bear interest at the market yield of 20-year Canada bonds. The applicable interest rate currently is the weighted average of market yields of Canada bonds having terms of 20 years or more. Used in the calculation are the market yields quoted in the first three days of that month in which the contributions are received, some part of which is made available to the provinces within the ten-day period immediately following the end of that month. The interest terms have fluctuated from 5.29 per cent in March, 1966 to 9.34 per cent in October, 1975. (c) $2,307,088,433 in interest has been received as of September, 1975.

COSTS OF EXISTING MEDICARE PLAN

Question No. 3,289—**Mr. Brisco:**

What were the costs of the existing medicare plan for each of the past five years?

Hon. Marc Lalonde (Minister of National Health and Welfare): Total shared-costs under the Medical Care Program: 1970-71, $848,410 million; 1971-72, $1,172,336 million; 1972-73, $1,280,364 million; 1973-74, $1,372,942 million; 1974-75, $1,461,920 million (Not yet finalized).

[Mr. Baker (Gander-Twillingate).]

OPPORTUNITIES FOR YOUTH PROGRAM—RIMOUSKI

Question No. 3,478—**Mr. Allard:**

1. Since the inception of the Opportunities for Youth Programme, has money been allocated to the Constituency of Rimouski and, if so, in what amount?

2. For each approved project in the Constituency what (a) is the title (b) is the allocated sum (c) is the year of acceptance (d) is the name of the municipality concerned (e) are the number of jobs which have been created?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Statistics for the Opportunities for Youth Program prior to 1975 were not maintained on a constituency basis and thus the total amount of funding to the constituency since the inception of the program cannot be determined. Under the 1975 program, however, a total of $231,240 was contracted to projects in Rimouski.

2. (a), (b), (c), (d) and (e) See Statement below. (This information is available for the 1975 OFY Program only).

1975

Project title	Amount of funding	Location	Number of jobs created
Service et animation Maison Redford	$ 9,420	Parc Métis	8
Animation Macpes	15,384	Ste-Blandine (and area)	14
La Société de demain, Aujourd'hui	12,655	Rimouski	8
Camp Plein Air	11,700	Rimouski	8
Index Thématique de l'Écho du bas St-Laurent	10,386	Rimouski	6
Camuq	11,190	Rimouski	6
Regroupement animation loisirs	15,885	Pointe-au-Père (and surrounding municipalities)	16
La Maison	14,280	Mont-Joli	11
Aménagement de rivière	14,270	St-Donat	11
Animation en folklore	5,324	St-Gabriel (and area)	4
Culture-soleil	8,950	Ste-Angèle (and surrounding municipalities)	8
Stage de formation en danse	4,505	Rimouski	4
Projetourix	14,835	Rimouski	10
Animation loisirs jeunesse	7,361	Price	7
Logement étudiant'75	11,502	Rimouski	11
La révolte des marionnettes	5,460	Mont-Joli	7
Soleil	7,970	Val Brillant	6
Animation Jeunesse II	9,680	Bic (and surrounding municipalities)	8
Jardinets agro-école	8,294	Rimouski	6
Été théâtre'75	15,004	Rimouski	11
Video Communautaire	17,185	Mont-Joli and Rimouski	12

ATOMIC ENERGY OF CANADA—POLICY ON BILINGUALISM

Question No. 3,505—**Mr. Fortin:**

1. Among the 120 persons earning $17,000 or more at Atomic Energy of Canada Limited, do some have French as their mother tongue and, if not, does the Corporation intend to correct this situation and, if so, in what way?

2. What is the policy of the Corporation respecting (a) bilingualism (b) the recruiting of French Canadians?

3. What are the total assets of the Corporation in (a) Ontario (b) Quebec?

4. How many employees are working in (a) Ontario (b) Quebec?

5. Does the Corporation intend to establish research laboratories in Quebec and, if not, for what reason?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows: 1. Yes.

2. (a) AECL applies in its internal administrative procedures the federal government's official languages policy as set out in the resolution adopted by parliament in June, 1973. (b) AECL has no specific policy for recruiting French Canadians. Vacancies are filled with the best-qualified Canadians available. Advertisements are carried in Quebec newspapers and visits to major Quebec universities are part of AECL's annual recruiting campaign for new graduates. AECL has not in the past attracted as many French Canadians as it would have liked, due largely it is believed to the reluctance of many to work at AECL locations in Ontario and Manitoba. However, more are now joining AECL with the establishment of a large Montreal office and the La Prade heavy water plant.

3. (a) $88,947,234; (b) $120,548,748.

4. (a) 4,312; (b) 77.

5. AECL has no plans at present to establish additional research laboratories in Quebec or in any other province. There has been no expansion of the AECL research and development staff for several years and existing sites are considered adequate for present programs.

* * *

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 3,524?

[*Text*]

*NATIONAL EMERGENCIES

Question No. 3,524—**Mr. Stanbury:**

What response, if any, has the Prime Minister received to his invitation to the leaders of opposition parties to discuss the desirability of legislation to deal with national emergencies without the necessity of recourse to the War Measures Act?

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): No response has been received from the leaders of opposition parties.

[*English*]

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

Some hon. Members: Agreed.

Mr. Stanfield: Mr. Speaker, no response has been received to what invitation from the Prime Minister?

Mr. Blais: Mr. Speaker, I was replying to question No. 3,524 which reads as follows:

What response, if any, has the Prime Minister received to his invitation to the leaders of opposition parties to discuss the desirability of legislation to deal with national emergencies without the necessity of recourse to the War Measures Act?

Mr. Stanfield: I rise on a question of privilege, Mr. Speaker. I have received no invitation from the Prime Minister to have any discussion since the days when the War Measures Act was invoked, at which time I had many discussions with the then minister of justice regarding a temporary bill which was introduced and proceeded a certain distance. I insist, as a matter of privilege, that I received no invitation from the Prime Minister to have any discussions with him or with any member of his cabinet about the desirability of the measure referred to in this question.

Mr. Broadbent: Mr. Speaker, I rise on the same question of privilege. Since the question referred to opposition parties, in the plural, I should like to make it clear, also, that I have not received any such invitation.

An hon. Member: Give us the right answer.

Mr. Speaker: Order, please. This matter has been raised as a question of privilege by the hon. Leader of the Opposition, with some supporting comment by the hon. member for Oshawa-Whitby who is, of course, also an opposition House leader in that sense. Both hon. members have raised objections about the content of the answer, for the reason given, in that since the answer indicates that no response has been received to an invitation, an invitation in fact is implied. Both hon. members indicated that no such invitation had been forthcoming. In any case, both hon. members have made comments that would indicate some criticism of the content of the answer given, and a criticism in that form may be extremely valid.

An hon. Member: Yes, it certainly is.

Mr. Speaker: However, as is well known, this does not constitute a question of privilege.

Mr. Paproski: Mr. Speaker, I had a number of questions on the order paper last session regarding CIDA. As a result of conversations with the Secretary of State for External Affairs, I deleted the approximately 80 questions in order that I might have answered some ten of my own choosing. It was agreed that if I put those questions back on the order paper, they would be answered in due course. With regard to "due course", this was on October 20 and I am sure we can expect better treatment than this in the way of answers from the Secretary of State for External Affairs. If he has any problems, he can bring the files over to my office and I will be able to dig out the material.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Tuesday, November 25, consideration of Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and motion No. 6 (Mr. Macdonald (Rosedale)).

Mr. Sharp: Mr. Speaker, it will be recalled that the hon. member for Edmonton West (Mr. Lambert) raised a question about the recommendation which preceded this bill, in that he found some difference between the bill and the recommendation upon which it was founded. As I recall, sir, you indicated that to some extent at least you shared his views. I have now obtained a revised recommendation from His Excellency the Governor General for Bill C-73.

There has been discussion among representatives of the parties and I understand there would be agreement to the procedure that this revised recommendation should be substituted for the original recommendation and printed in today's *Votes and Proceedings*.

Mr. Speaker: Order, please. The proposal put by the hon. President of the Privy Council (Mr. Sharp) has been heard. There is an indication that there may be agreement to it. Is that the case?

Mr. Lambert (Edmonton West): Generally there is agreement, Mr. Speaker, although I still have some very grave complaints as to the form as a whole. Without wanting to begin taking it apart, and I am not going to insist upon any change at this time which might block our progress and require a ruling, there is one last point that does concern me. With all due respect to the government House leader, I do not think the final phrase "or as provided in the said measure" covers the difficulty I raised in respect of section 26(2).

Mr. Speaker was to look at this matter to determine whether the change proposed by the Minister of Finance (Mr. Macdonald) had met my original objection, in respect of which His Honour had indicated some agreement. On a contingency basis there could be grave difficulty. However, in order to set aside, or to put at rest this unhappy interlude regarding these recommendations, I am quite prepared to say, on behalf of this party, that this is all right for now, but we surely must have some discussions and arrive at a much better formula for the resolution stage of a bill.

I might also say that I, personally, have some hesitation about the present practice of obtaining revised recommendations. It has become a purely clerical function, and it seems to me these recommendations should have a little more authenticity than that.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think an accommodation has been reached in so far as this piece of legislation is concerned, but I should also like to support the suggestion of the hon. member for Edmonton West (Mr. Lambert), that there might be further discussions about the form of Governor General's recommendations. At this point the hon. member for Edmonton West and I may part. I gather he would like to have the recommendation couched in language that is full of all the details in the bill. I would like to see it go the other way. Maybe that is because I remember the days decades ago when cabinet ministers would stand over there and say, "His Excellency the Governor General, having been made aware of the subject matter of this bill, is pleased to approve the same and recommends it to the consideration of the House."

● (1600)

I wonder what value there is to an exercise of having some clerical operation produce a long Governor General's recommendation which is changed every time we change the bill. I think a little reading of the history of this device going back 300 or 400 years to how money bills came from the Crown, and so on, would produce the solution I suggest, namely, a much shorter and more generalized recommendation.

Mr. Speaker: Order, please. The discussions, of course, about the relationship between the recommendation and the bill and subsequent powers or restrictions to amending powers is a most interesting one. Indeed, frankly it is not altogether clear in the relationship between the recommendation and the bill. There is, of course, the countervailing difficulty that the more general the recommendation becomes, the more it is possible to argue that it then becomes applicable to every provision of the bill and not just to the financial provisions of the bill, and therefore every amendment would have to carry in it the direct recommendation. In any case, it is an interesting discussion which could carry us away, I am sure, all afternoon, and this is not the desire of hon. members.

It appears at the moment that an accommodation has been reached. The amended recommendation, if I understand it correctly without reading it in every detail, is the same as it was except for the addition of the wording at the end, "or as provided in the said measure", which relates to the expiry date of the bill. That would seem to me, at first reading in any case, to cover the specific instances that have already been argued and discussed and to which the House has already directed its attention. Is there unanimous consent to receive the recommendation?

Some hon. Members: Agreed.

Mr. Speaker: It would appear, that having been done, that the bill can proceed. We were in the process of resuming debate on motion No. 6. However, before doing so may I simply clear up two areas of discussion. The first is that as a package it was agreed that motions Nos. 3, 4 and 5 would be discussed. When the discussion on those three motions had finished, evidently the vote on motion No. 5 was put without there first having been put an amendment which was moved by the hon. member for Regina-Lake Centre (Mr. Benjamin).

In order to clarify the situation, before going on to a recorded vote in that circumstance, obviously the amendment of the hon. member for Regina-Lake Centre, never

really having been put to the House, will have to be put. Perhaps the preferable arrangement would be to put that question forthwith.

There is another problem, which is the grouping of those three amendments for the vote. It may be recalled that it was suggested initially by the Chairman that a vote on motion No. 4 ought to be taken first. In respect of motion No. 5, it now appears, after discussion, that a vote on No. 4 ought to be taken and, depending on the outcome, it may have an effect on the necessity for a vote on motions No. 3 and No. 5. Hon. members having considered that matter, are we now able to agree that we should first call the deferred vote on motion No. 2, then follow with a vote on motion No. 4 and, depending on the outcome of that, see whether a vote is necessary on either No. 3 or No. 5? In any case, may I have the agreement of the House at this time that after the vote on motion No. 2 we can take a vote on motion No. 4 and see where that leaves us? Is that agreed?

Mr. Lambert (Edmonton West): Mr. Speaker, I think it is quite clear that there is to be a vote on motion No. 2, that there will be a vote on motion No. 4 and, depending on the result, it might eliminate a vote on No. 3. If No. 4 does not pass, obviously No. 3 falls to the ground. In any event, No. 5, which is a proposal of the government, must be voted on separately as it does not depend on the result of the vote on No. 3 or No. 4 in any way.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the only part of this discussion which concerns me is the suggestion that a vote had not been ordered on the amendment to motion No. 5. My understanding is that that question was put, and in fact was put twice, that five or six members stood one time and that eight or nine members stood the other time, and that a deferred vote on the amendment to motion No. 5 has been ordered. What, of course, has not been ordered is a deferred vote on motion No. 5 itself, nor could there be until the amendment had been disposed of.

Mr. Speaker: Is that agreed and understood?

Some hon. Members: Agreed.

Mr. Speaker: Order, please. Debate is resumed on motion No. 6.

Mr. Nystrom: Mr. Speaker, it may come as a great shock to the minister, but we have decided to support motion No. 6.

Mr. Macdonald (Rosedale): What have I done wrong?

Mr. Nystrom: We are not back in bed again, as an hon. member suggests—far from it. We support it for one reason. If, after the expiry of the act, any investigation or prosecution is under way, it would naturally continue and the administrator, chairmen, and so on, would continue in their various positions until the particular investigation came to an end. Because we feel there might be one chance out of a hundred that they will prosecute one of the corporations, we will agree to this motion. We do not feel very enthusiastic about it, because we do not feel they are really very serious about tackling anything when it comes to price controls or dividends. We feel that the people in charge of the board, Jean-Luc Pepin, Mrs. Plumptre and others, are as unlikely to take a tough line on corporate profits, and so on, as it would be for the Happy Hooker to be in charge of the vice squad.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Nystrom: Mr. Speaker, all the backbenchers in the Liberal party have awakened, including a Conservative who has defected to that side. As soon as I mention the name of a famous person, they wake up. I want to make sure that we are on record as being in support of this motion. If any investigation should be under way against any "poor little" corporation such as the CPR, Safeways, and so on, then that investigation could continue until completed. For that reason, we support this motion and will be fighting to make sure that any investigation under way is carried out to its final fulfilment and prosecution, so that if there is any possibility that such people could be found guilty then the penalties will be applied with the full force of the law.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Mr. Lambert (Edmonton West): Mr. Speaker, the hon. member for Yorkton-Melville (Mr. Nystrom) rather jumped the gun, because the other night when we adjourned the debate I had the floor and moved to adjourn the debate. At that time there was a procedural defect in respect of the recommendation. Motion No. 6 depended on clause 46(2) which was then deficient. That now having been cleared up, there is no difficulty and we, too, support in principle motion No. 6.

The Acting Speaker (Mr. Turner (London East)): The question is on motion No. 6. Is the House ready for the question?

Some hon. Members: Question.

Motion No. 6 (Mr. Macdonald (Rosedale)) agreed to.

● (1610)

The Acting Speaker (Mr. Turner (London East)): Order, please. Pursuant to an order of the House made on Tuesday, November 25, 1975, the House will now proceed to the taking of deferred divisions in respect of several motions to amend Bill C-73. Call in the members.

The House divided on motion No. 2 (Mr. Stevens) which was negatived on the following division:

● (1620)

(Division No. 80)

YEAS

Messrs.

Alexander	Baker (Grenville-Carleton)	Beaudoin
Alkenbrack	Balfour	Cadieu
Allard	Bawden	Caouette (Villeneuve)
Andre (Calgary Centre)	Beatty	

Anti-Inflation Act

Messrs.

Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dionne (Kamouraska)
Epp
Fairweather
Forrestall
Friesen
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Horner
Howie
Huntington
Hurlburt
Jarvis
Johnston
Kempling
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lavoie
MacDonald (Egmont)
MacKay
MacLean
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
O'Sullivan
Paproski
Patterson
Ritchie
Roche
Rondeau
Schellenberger
Schumacher
Scott
Skoreyko
Stanfield
Stewart (Marquette)
Towers
Whittaker
Wise
Woolliams—67.

NAYS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blouin
Boulanger
Broadbent
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupont
Dupras
Duquet
Faulkner
Firth
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Knowles (Winnipeg North Centre)
Lachance
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Nicholson (Miss)
Nystrom
Olivier
Orlikow
Ouellet
Pearsall
Penner
Peters
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rodriguez
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stollery
Symes
Tessier
Trudeau
Trudel
Turner (London East)
Whelan
Yanakis
Young—127.

● (1650)

The House divided on motion No. 4 (Mr. Stanfield) which was negatived on the following division:

[The Acting Speaker (Mr. Turner (London East)).]

(Division No. 81)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Balfour
Bawden
Beatty
Beaudoin
Cadieu
Caouette (Villeneuve)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dionne (Kamouraska)
Epp
Fairweather
Forrestall
Friesen
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Horner
Howie
Huntington
Hurlburt
Jarvis
Johnston
Kempling
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lavoie
MacDonald (Egmont)
MacKay
MacLean
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
O'Sullivan
Paproski
Patterson
Ritchie
Roche
Rondeau
Schellenberger
Schumacher
Scott
Skoreyko
Stanfield
Stewart (Marquette)
Towers
Whittaker
Wise
Woolliams—67.

NAYS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blouin
Boulanger
Broadbent
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupont
Dupras
Duquet
Faulkner
Firth
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Knowles (Winnipeg North Centre)
Lachance
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Nicholson (Miss)
Nystrom
Olivier
Orlikow
Ouellet
Pearsall
Penner
Peters
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rodriguez
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stollery
Symes
Tessier
Trudeau
Trudel
Turner (London East)
Whelan
Yanakis
Young—127.

● (1700)

Mr. Speaker: I declare the motion lost. The matter having been previously discussed, this result would appear to obviate the necessity of taking a further vote on motion No. 3, where the same result will be recorded.

The question, therefore, is on the amendment to motion No. 5 standing in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin).

The House divided on the amendment to motion No. 5 (Mr. Benjamin) which was negatived on the following division:

(*Division No. 82*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Balfour
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Broadbent
Cadieu
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Epp
Fairweather
Firth
Forrestall
Friesen
Gilbert
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Horner
Howie
Huntington
Hurlburt
Jarvis
Johnston
Kempling
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lavoie
MacDonald (Egmont)
MacKay
MacLean
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
Mitges
Muir
Munro (Esquimalt-Saani
Murta
Nielsen
Nystrom
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Roche
Rodriguez
Rondeau
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Stanfield
Stewart (Marquette)
Symes
Towers
Whittaker
Wise
Woolliams—79.

NAYS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Dupont
Dupras
Duquet
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Lachance
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Nicholson (Miss)
Olivier
Ouellet
Pearsall
Penner
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stollery
Tessier
Trudeau
Trudel
Turner (London East)
Whelan
Yanakis
Young—114.

Mr. Speaker: I declare the amendment lost. The question, therefore, is on motion No. 5 in the name of the Minister of Finance (Mr. Macdonald). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Some hon. Members: Hear, hear!

Mr. Speaker: I therefore declare the motion carried.

Motion No. 5 (Mr. Macdonald (Rosedale)) agreed to.

Mr. Macdonald (Rosedale) moved that the bill be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? The bill can only be read the third time, of course, with unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the bill cannot be read the third time at this sitting.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax-East Hants (Mr. McCleave)—Central Mortgage and Housing Corporation—Suggestion corporation not select lawyers for mortgagors—Government position; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Air Canada—Lack of support for five employees charged with criminal offence—Bonding of employees; the hon. member for York-Sunbury (Mr. Howie)—Government organization—Suggested study of structure and expenditures to promote efficiency and reduce expenditures.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House proceeded to the consideration of Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. Speaker: Order, please. There being two motions, No. 1 and No. 2, at this point of the report stage of Bill C-41, both standing in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin), is it agreed that they be grouped for the purpose of debate?

Some hon. Members: Agreed.

● (1710)

Mr. Les Benjamin (Regina-Lake Centre) moved:

Motion No. 1

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 5 by striking out lines 33 to 35 at page 4 and substituting the following therefor:

"comes a full participant may, by".

Motion No. 2

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 5 by striking out lines 14 and 15 at page 5 thereof and renumbering the following subsections accordingly.

He said: Mr. Speaker, I am pleased there is so much interest in the grain stabilization bill. I hope the House will remain full and that I will have everyone's undivided attention.

[Mr. Speaker.]

An hon. Member: You just lost it.

Mr. Baker (Grenville-Carleton): You are lucky to have a quorum.

Some hon. Members: Oh, oh!

An hon. Member: This is ridiculous.

Mr. Benjamin: The purpose of amendments Nos. 1 and 2—

The Acting Speaker (Mr. Turner (London East)): Order, please. Perhaps hon. members would have their conversations behind the curtains.

Mr. Benjamin: Mr. Speaker, now that you can hear me, I hope, I should like to say that I and my colleagues have taken the position that this legislation is still totally inadequate for the protection of farm income in respect of the production of grain. We feel the legislation is inadequate and its effect is uncertain, particularly the provision which automatically includes all grain producers and the one which allows them to opt out once and come back in, but then to remain in. The purpose of these two amendments is to allow grain producers to opt out of the program at any time and for any number of times. It will allow them to opt out and to opt back in again at their choosing.

This is an unusual amendment to be coming from a member of a socialist party which stands for universal programs in order to maximize the benefits of those programs. They might be called free enterprise amendments, but that is not why I am proud of them. I am convinced this program would prove to be inadequate. Even if it turns out that I am wrong, because of the many uncertainties it would seem to me that for at least the first few years of the program grain producers should have maximum flexibility, being able to opt in and opt out any number of times.

I suspect that the minister will say that this would create a great many administrative difficulties. However, if this grain stabilization measure is as good as the minister thinks and says it is, then I imagine he would have very little fear of any significant number of farmers frequently opting in and out of the program. If the program is going to be as good as he claims, then I do not understand why he should worry about accepting these amendments.

I hope my friends in the official opposition will take the position that because of the uncertainties and inadequacies of the bill, this kind of freedom and flexibility should be available to every grain producer. The minister claims this program is good. I disagree with him. But if he is right, he should have no qualms about accepting these amendments.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I listened with great interest to the hon. member for Regina-Lake Centre (Mr. Benjamin). We discussed this matter at great length in committee and I agree with the hon. member when he suggests this legislation is inadequate and is not what the farmers want. We spent a week travelling throughout the prairie provinces, receiving briefs from farm organizations, wheat pools, farmers' unions, the Palliser Grain Growers and others. All the indications were

that they were not happy with the bill and, because of its complexities, could not understand it.

As a matter of fact, because of the complexities of the legislation a number of those who presented briefs did not have the opportunity of discussing the measure in detail. Almost without exception, these organizations and individuals indicated that if the legislation worked on an individual pay-out basis, rather than on the basis of a five-year average with a pay-out to the whole Wheat Board area, it might be satisfactory. I hope to have an opportunity of discussing that matter in greater detail at third reading.

In considering the amendments of the hon. member, it would seem at first blush that the individual producers should have the opportunity of opting in and out of the plan as and when they wish. If we consider this opting in and out on the basis suggested by the hon. member we can visualize a difficult situation. When there is a substantial deficit in the fund, the government is required to lend money in order to make a pay-out. If we adopted such a flexible provision, we could have a situation in which farmers, in the initial years of the plan's operation, could obtain substantial pay-outs and then opt out of the plan in good crop years.

We must remember that the fund provides for a $2 to $1 ratio. It would be fairly simple for a producer to remain in the plan for two years, for example, and receive a substantial payment. During this time the fund might get into a deficit position and would have to be replenished by the government. The interest on that money would continue to build up. A producer might be able to obtain four, five or six times the amount he had paid in and then opt out of the plan for a considerable time during good crop years. He might do this knowing that he would have to put money into the plan to help pay off the indebtedness incurred by loans from the federal government, and the interest. Under the circumstances if he were a smart businessman—and I can assure you, Mr. Speaker, that the farmers of the prairie provinces are vey smart and shrewd businessmen—I am certain he would opt out and say, "That is it, fellows".

● (1720)

Under the conditions of the amendment moved by the hon. member for Regina-Lake Centre he could opt out of the plan for a long enough period that the indebtedness to the government would be paid off, and then he would simply opt into the plan and take advantage of it. So under these circumstances, personally I cannot support the amendment of the hon. member.

Mr. Towers: I rise on a point of order, Mr. Speaker. It seems to me that the government always has difficulty administering the business of the House especially in respect of agriculture. Yesterday afternoon we had the Department of Agriculture estimates before the committee, and then the government brought on the feed bill, Bill S-10. The committee proceedings had to be cut short in order that the minister could return to the House, and some of us from this side of the House had to be leave the committee prior to its adjournment in order to participate in the debate that was taking place in the House. The same thing has occurred this afternoon.

I do not think we should continue to forgive the government for not being able to administer the business of the House in a better manner. This afternoon we were asked to participate in the discussion on Bill C-41. This evening the agricultural committee will be meeting. In the estimates that are to be studied by the committee we find there are estimates pertaining to the bill we are discussing at the present time. It would seem to me that this is grossly unfair. It is not fair to those participating in this debate, or to those who are involved in the committee proceedings.

Either the discussion on this bill should be adjourned at 5.30 or the committee meeting that is scheduled to take place should be adjourned. We cannot deal with these matters adequately when we are separated. Those of us who remain in this House to debate this bill will not know what is taking place in the committee, and vice-versa those members who will be attending the committee to study the estimates will not know what is taking place in the House. I would hope the minister in charge of the Canadian Wheat Board would have enough influence on the House leader to differentiate between these two so that the two proceedings could be separated.

Mr. Benjamin: I, too, rise on a point of order, Mr. Speaker. I wish to protest to the minister, the government whip, and anybody else who might be listening. We are dealing with supply estimates in the agricultural committee. All the members of the committee are involved in that. We are in midst of asking the minister questions on a number of items in respect of the supplementary estimates, while at the same time many of us are also involved with Bill C-41. I agree completely with the hon. member for Red Deer (Mr. Towers) and would hope that some arrangement could be made either to adjourn the meeting this evening of the agricultural committee or to adjourn the debate on this bill in the House.

Mr. Blais: I rise on the same point of order, Mr. Speaker. I agree that there is some inconvenience, but the fact is that a number of agricultural bills have been pending during this session and we are proceeding with these bills as expeditiously as we can. The question of dealing with Bill C-41 this evening rose from the fact that there had to be an amendment to the royal recommendation in respect of Bill C-73, and therefore the members of the New Democratic Party did not give consent to deal with third reading at this particular stage, as is their right.

Mr. Benjamin: If you are looking for co-operation you should be careful.

Mr. Blais: The government House leader through the usual channels made arrangements with the other House leaders for the House to deal with Bill C-41 at this time. I realize that this creates an inconvenience because of the conflict between the agricultural committee and Bill C-41, but I merely call to the attention of the hon. gentlemen that all committees are sitting at this time dealing with estimates and other legislation referred to them by the House. Unfortunately most of the matters we might be dealing with in the House would conflict with the business being carried on in the committees. I thought the hon. member who is interested in agriculture would be interested as well in disposing of the legislation before the House.

Air Canada

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, those of us who have been around here for a little while think it is almost mandatory first that we do not allow committee meetings to continue at the same time the House is in session, and second, that a bill should never be brought in dealing with a subject on which the committee is sitting so that two meetings would be held simultaneously.

I am simply saying to the House leader and the representatives of the government that if it was considered that high priority had to be given to Bill C-41 in the House, then it would only be courtesy to go to the chairman of the agricultural committee and say that under the circumstances, being caught in this type of situation, the agricultural committee meetings should be postponed.

Mr. Blais: Mr. Speaker, the chairman of the agricultural committee, as well as the steering committee, are completely free to do what they wish. It is their prerogative to have sittings as they wish or not. I suggest that the recommendation of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) should be made to the chairman and the members of that committee.

Mr. McGrath: You are in charge of the business of the House.

The Acting Speaker (Mr. Turner (London East)): Order, please. Is the House ready for the question?

Some hon. Members: Five thirty.

Mr. Neil: Mr. Speaker, I do not think the parliamentary secretary realizes that the estimates that are before the agricultural committee contain a specific sum of, I believe, $300,000 of $350,000 pertaining to this particular bill. It is important that we be here in the House in order to speak on the bill at the same time when the estimates are before the committee. It is a little different situation than if the estimates were not before the committee. I would ask the parliamentary secretary to make some arrangements with the chairman of the agricultural committee to cancel tonight's meeting.

The Acting Speaker (Mr. Turner (London East)): Order, please. Pursuant to order made on Wednesday, November 5, it being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

COPIES OF CORRESPONDENCE BETWEEN SUNSET CREST LTD. AND EMPLOYEES OF AIR CANADA

The House resumed from Thursday, November 13, consideration of the motion of Mr. Mazankowski:

That an Order of the House do issue for copies of correspondence and agreements between Sunset Crest Ltd., now a subsidiary of the Barbados Shipping and Trading Co., and any employee of Air Canada or its subsidiaries.

[Mr. Blais.]

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, on November 13, I was speaking on the motion for the production of papers presented by the hon. member for Vegreville, and in particular the correspondence and agreements between Sunset Crest Ltd. and any employee of Air Canada or its subsidiaries. I had not quite finished my remarks and would like to continue.

● (1730)

I had pointed out, among other things, that Air Canada is a large corporation which, over the years, has been a credit to Canada, and for over 20 years has required no subsidies from the public purse. The company is not asking the government for a penny of financial assistance, quite unlike larger national airlines of some other countries. Its deficit last year was very much smaller than many of its competitors, and the government has not been asked to pay this loss. In 1975, a year of falling traffic due to general economic depression and rising costs due to fuel prices, et cetera, the employees of the company are, I believe, trying to achieve a break even position for the company, against great odds. I do not know whether their objective will be achieved, but I am satisfied that they are cutting costs and developing sales with a view to improving the financial position of the company.

There are staff problems in all companies, private and public, in Canada and other parts of the world. These are solved by the companies' management as they arise, and Air Canada cannot be expected to act differently. There are resignations, dismissals and disciplinary actions in all companies, including Air Canada, and to single out Air Canada for ridicule when these things happen at any level—blue collar, management or executive—is unfair to all those dedicated and hardworking employees who have built their airline to a level of prosperity and service to the nation of which all Canadians can well be proud.

Whatever may come out of the Air Canada inquiry on financial controls and other areas of concern, I want to make one point crystal clear, and that is that the great majority of the employees of Air Canada at all levels—management, executive and other classes—are operating an airline with efficiency, integrity and loyalty and have thereby developed Air Canada to a point where it can earn its place as one of the great airlines of the world, with an operating efficiency which has proved to be comparable with the better run airlines of any nation.

The government has come to realize that the characteristics of the airline business have changed significantly since 1937 when the present Air Canada Act was first brought before this House, and that Air Canada has grown to a level which requires some changes in the present Air Canada Act. I think the Minister of Transport (Mr. Lang) will be presenting to this House for consideration his proposals to permit Air Canada more flexibility to deal with new business trends, and allow the company to compete more effectively, especially in the international airline market.

Hon. members should be provided with ample opportunity to discuss in some detail the matters involving Air Canada, including ventures such as the Sunset Crest Limited transaction, both when the Minister of Transport puts forward his proposal for amendment to the Air Canada Act and when the Air Canada inquiry report is presented to the House.

I should again like to stress a point I made when taking part in a similar debate on a motion for production of papers earlier in the session. That point is that all hon. members would like to see as much information made available as could be made available. In this regard we on this side of the House are faced with the same limitation as those across the way, and as our duties and obligations to those we represent are similar, we share the same frustration when unable to obtain a certain document or piece of information which we may deem pertinent in carrying out these duties.

During this session I have had the opportunity of serving on the Standing Joint Committee on Regulations and Other Statutory Instruments. This experience has left me with an appreciation of both the importance and the complexity of the issue of accessibility to government information.

While I am sympathetic to the objective of greater accessibility to information and less secrecy in government, at the same time I recognize that free and unlimited access to all information and documents is impossible, or certainly unwise. Similarly, I find the guidelines which indicate several categories of restrictions for the production of government papers and documents too general and far reaching, but at the same time I concede that their introduction was a very considerable step forward in that they underline the acceptance of the principle that the government has to justify its withholding of facts, and they also provide a focus for constructive criticism and suggestions for a greater flow of information.

I thank the hon. member for presenting his motion, which provided an opportunity to discuss the subject of availability of government information in general, and in particular information pertaining to Air Canada transactions. However, I am unable to agree with his motion.

Mr. Ron Huntington (Capilano): Mr. Speaker, it is a privilege for me to take part in this debate on production of papers and to follow the hon. member for Toronto-Lakeshore (Mr. Robinson). I can assure the hon. member that my view is quite polarized from his, and I hope that my contribution in this debate will change his mind. Unlike his, it is my belief that Air Canada can be expected to act differently. It has to act differently as a national airline if we are to set conditions, a pace, and a standard of behaviour for other corporate activities in Canada.

I remind this House that this Crown corporation, Air Canada, and its subsidiaries have advantages which are a businessman's dream. Air Canada has the highest occupancy rate in the airline business, which is literally a licence to print money in that industry. It has a monopoly position with its choice of routes, and it has access to all government boards and agencies. It has unlimited money available at the government's cost of money, and the hon. member for Toronto-Lakeshore in his address in this debate last November 13 proudly pointed out that it has not been necessary for over two decades for public money to subsidize Air Canada. However, that money is available and has been available pretty well on an unlimited basis at a cost of money available to no other organization in Canada.

Air Canada has an insider track on other government agencies' activities which allows it to eliminate or control its Canadian and offshore competition.

However, to be completely fair, one must acknowledge that Air Canada also faces certain disadvantages. It has inherited the disease of its present owner in that for each $100 of revenue the CNR has to spend between $100 and $101 to earn it, whereas its major competitor, which has an incentive factor built in and which has to answer to taxpaying shareholders, spends $90 to earn $100 of revenue.

This apathy for want of an incentive and a need to be accountable to taxpaying shareholders has obviously spilled over into Air Canada attitudes and management. Air Canada does not pay its taxes; it only accrues them. It currently owes an amount in excess of $29 million, which is down from the $34 million it owed, according to last year's estimate, as a result of last year's loss.

Air Canada does not pay the interest due on the moneys which have been lent to it by the government. It accrues this interest, and has accrued some $55 million in interest. It does not return or retire its borrowings, as normal corporations have to do in a free enterprise economy. Along with these unfortunate business practices, it is overstaffed with 25 per cent too many people.

The situation in Air Canada is now an acknowledged disgrace, and if the government will allow the opposition to assist in cleaning out the rot and questionable practices which exist within its corporate structure, perhaps we can then get our national airline flying with the measure of pride its employees and the people of Canada once held for it.

Some hon. Members: Hear, hear!

Mr. Huntington: This now leads me to the secrecy and cover up attitude which exists in all things around Air Canada, new airport construction, and the management involved. In a review of this debate I note that the hon. member for Fort William (Mr. McRae) stated the following: "There is always danger of secrecy overcoming governments when there is very little to be secret about". He goes on to suggest that we should wait for the Estey report to be tabled in this House.

If there is very little to be secret about on a matter surrounding this request for papers, all I can say is that either the hon. member for Fort William has been sleeping through the events disclosed in this House and by the press over the last few months, or he sits in an environment which separates his view of right and wrong from hon. members on this side of the House.

Some hon. Members: Hear, hear!

Mr. Huntington: In regard to the comments of the hon. member about the Estey report, I remind him that the French version of the report could have been turned in with the English version if the government had given the

nod to Mr. Justice Estey. I can only conclude that the weeks we have been waiting for the French version of the Estey report are nothing more than stonewalling tactics and desperate attempts to delay the truth. I noted in the *Globe and Mail* of July 25, 1975, that Mr. Gordon Henderson, the lawyer representing Air Canada before the Estey inquiry, stated that not one iota of evidence was brought forward as to personal dishonesty of airline officials. If that is the case, Mr. Speaker, by producing the papers requested by the hon. member for Vegreville (Mr. Mazankowski) a lot of House time can be saved, and we in the opposition can get on with other matters needing examination, like events surrounding the design and building of Mirabel.

● (1740)

My problem is the series of continuing disclosures that have been made since that lofty and proud statement of defence at the Estey inquiry. For example, consider the interference of the Secretary of State for External Affairs (Mr. MacEachen) in the selection of the L-1011, and the surrounding suspicions of pay-offs.

Second, there is the matter of an option of $100 million worth of sugar, apparently acquired by Air Canada employees and associates when technical aviation negotiations were going on with Haiti, Martinique, Guadeloupe and Jamaica, all, by coincidence, sugar-producing countries.

Mr. Baker (Grenville-Carleton): Who has the sweet tooth?

Mr. Huntington: We now have information from an informed source to suspect that the profits on this sugar option are sizable, approximating this year's Air Canada loss, and that this money is now being moved into Canada for a seven way split. If this information is accurate, then this matter should be investigated carefully and thoroughly. If the minister has information on this transaction and money, he ought to bring it forward.

I hope hon. members opposite will pardon our continued interest if the company set up for this sugar deal just happens to have the same address as that of the lawyer for Sunset Crest Ltd., the subject company of this motion to produce papers.

Mr. Baker (Grenville-Carleton): He must have a sweet tooth.

Mr. Huntington: Is it just an accident, or coincidence, that the Air Canada vice-president who resigned over the $100,000 McGregor travel agency matter that triggered the Estey inquiry just happened to find a job with J. W. Lawson Travel Ltd., which is a subsidiary of Thomcor, a related company of Warnock Hersey Ltd., the chairman of which is Peter N. Thomson, a well known Liberal fund raiser and friend of the government?

As if this is not enough, this organization purchased Sky Shops Ltd. from its former owners, making available sizable capital gains to other friends, particularly a Liberal senator who also is a well known Liberal contact and fund raiser.

An hon. Member: Prove it.

[Mr. Huntington.]

An hon. Member: This is beginning to smell.

Mr. Huntington: Then we should consider another subsidiary of Air Canada known as Venturex. The company is involved in a $1 million deal with Sunset Crest properties in Barbados from which the company rented accommodation for tourists using Air Canada. Apparently Venturex had more power to spend money than did the airline itself. The airline issued its authority for expenditure on the Sunset Crest deal only after several $80,000 payments had been made.

This company affiliated with Air Canada, Venturex, about which the hon. member for Toronto-Lakeshore (Mr. Robinson) suggested we should not ask questions as the secrecy is justified, has been accused of Mickey Mouse accounting practices in order to cover up a $1,134,000 Air Canada loss on charters. Apparently those on the government side think the opposition is not supposed to question such matters.

These few examples in my opinion clearly illustrate the need for the production of the Sunset Crest papers but, more than that, lead us to the whole question of ministerial behaviour and performance in the management and care of taxpayers' money in all matters pertaining to the operation of our national airline and the construction and operation of our nation's airports. One can only conclude that the secrecy surrounding matters pertaining to the Ministry of Transport and its air transportation responsibilities are a cover-up. As long as this stonewalling operation continues the government will be suspect, and can rest assured that the opposition, with the help of concerned Canadians, will work tirelessly to expose abuses within the ministry and higher echelons of Air Canada.

If we are to have a new Air Canada chairman, I urge the minister to get all this crud out into the open so that the new Air Canada board can get on with a new and proud future for the airline of which we were once so proud.

May I also request consideration for a complete overhaul of the format of Air Canada's annual report which, when compared with the annual reports of other airlines, is in itself a sort of secret document, the secrecy arising by way of omission. I urge hon. members to examine the Air Canada report. It is full of coloured pictures, a few graphs, looks big because it is in two languages, but contains few facts. Actually it contains little or nothing of interest to hon. members of the House or to members of the public who wish to study the airline's performance.

One cannot help thinking that the airline's performance will not stand scrutiny, that the airline cannot stand competition, that it needs the government's protection for survival and cannot compete in a normal way in the hard hitting market place. As I read this, I weep. Look at the reports of other airlines, private or nationally owned, and you will find page after page of solid, analytical matter which anyone in the world, any competitor, can study and compare as a key to performance. But it is not so with Air Canada.

An hon. Member: To which airline are you referring?

Mr. Huntington: Take almost any other airline in the world, Lufthansa, or KLM, the Royal Dutch national airline. You will find their reports contain page after page of

solid, analytical documentation. If you really want to see how a state-owned airline is run, look at the annual report of British Airways. It contains 134 pages of analytical data, which any other airline or competitor in the world can study, compare, analyse. The report shows where the airline is performing well, and where it is not performing so well. There is an addendum of 34 pages which gives you all the meat you want. But you will not learn anything about Air Canada's performance if you read its glossy annual report, this secret document which omits so much.

I plead with the minister to be concerned and to show some interest in Air Canada's annual statement. I urge all members of the House on both sides to support this important motion asking for the production of papers and so remove the stigma arising from secrecy surrounding the department's air transport responsibilities.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, I represent the constituency of Peel-Dufferin-Simcoe and represent, I suggest, more Air Canada pilots and operating personnel than any other member of this House. While it is good to debate the affairs of Crown corporations, make hard hitting statements, and to analyse carefully the operations of organizations like Air Canada, I do not want it to be thought, and I put this on record, that criticism should be directed toward either Air Canada pilots or operational crews.

Mr. Baker (Grenville-Carleton): It is not.

● (1750)

Mr. Huntington: Except when they take off with fires in the cabin.

Mr. Milne: I associate with people who travel a great deal and use a number of airlines. I challenge any member of the House to say that any other airline is as competent or has the confidence of the people who travel with it more than Air Canada has. This is hard earned respect; they have worked for it. It has come to them through good training facilities and good personnel discipline. I am proud of those of my constituents who work for Air Canada, and I am proud of Air Canada.

I want to take issue with a previous speaker who, when talking about the airline business in Canada, made comparisons between Air Canada and some private carriers. Perhaps he forgets that when Air Canada was formed in the thirties, the original purpose of the company was to establish a basic air service across Canada even where there was not a substantial amount of profit. It was not just designed to serve the lucrative routes. I suggest that those private airlines that are doing so well would have to spread their services thinly if they were asked to compete on all the routes that Air Canada serves. This is not to say that there are not perhaps problems within Air Canada, or no deep seated concerns expressed by some of their own employees. The report that will be tabled in the House in the near future will bring some of those problems to light. I hope the government will move quickly to deal with them, and I am confident that it will.

I have toured many of Air Canada's facilities for training pilots, and maintenance facilities across Canada. I doubt that any airline in the country has a better operating record.

The financial aspect has been mentioned. I understand that Mr. Estey's report will deal with that. That inquiry was set up primarily to look into that area.

From my reading of Canada's airline industry I would say that Air Canada has gone through the generation change of aircraft perhaps better than many other airlines. Some United States airlines are mothballing planes, or selling planes at fire sale prices just to get them off their books. Even though Air Canada has incurred a loss during the last year the company still compares well with the United States airlines.

Many of the airlines that hon. members claimed were managed efficiently went over to wide-bodied planes, and then found that they had completely misjudged the market. As a result they had a tremendous over-capacity in their fleets and some nearly went bankrupt. Furthermore, there was a severe cutback in service—a cutback that we would not want Air Canada to introduce in our remote areas—or through mergers where some companies were simply put out of business.

I would ask some members who are critical of Air Canada to remember that many of the routes are not profitable. However, Air Canada provides a service to all parts of the country, and this is not the case with the private carriers. If the performance of Air Canada is compared to many United States airlines, I think Air Canada shows up rather well in terms of competent management.

A few years ago when Air Canada was hiring employees, it was regarded as a privileged occupation. Stewardesses, for instance, had to be graduate nurses and there was great restriction on who could compete for the job vacancies. Today, many more people are flying; perhaps the mystique has decreased and that has not helped the morale problems to which reference has been made.

I do not intend to go on and extol the virtues of Air Canada. I just want to say I have some very close friends and good constituents who work for Air Canada. Those people are proud of Air Canada and do their best to give Canada good air service.

Mr. Deputy Speaker: I should inform the House that if I recognize the hon. member for Vegreville (Mr. Mazankowski) at this time he will be closing the debate. The hon. member is aware that, according to the Standing Order, he is allowed five minutes to close the debate.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in the few minutes available to me to wrap up this debate I should like to thank hon. members for participating. The contributions from the hon. member for Capilano (Mr. Huntington) and the hon. member for Central Nova (Mr. MacKay) were particularly distinguished, and provided food for thought for hon. members across the way. I am disappointed in a general way by the response from the government side. I would have thought that the Parliamentary Secretary to the Minister of Transport (Mr. Goodale) would have offered a better explanation for the refusal to provide this information than simply to re-echo the words "a proprietary nature", or "this is a subject which may be dealt with in the Estey inquiry".

This motion was placed on the order paper long before the Estey inquiry was called into being. There is sufficient reason to believe that its subject matter was not dealt with to any great extent in that inquiry, but how would one know? The government seems very satisfied, and is studying the report which has been in the hands of the minister for a month or so. It must either be a long report or there is a shortage of French translators. It seems to me this is a weak excuse.

We were told by the former minister of transport that there would be an internal inquiry into the subject matter of this motion. We are not sure, however, if that was carried out, or whether we will see the results if it was carried out. If it was an internal inquiry co-ordinated by the chief executive officer, who has resigned, perhaps we will never learn the background of this important matter.

The answers given in response to the request for this information are unsatisfactory and only cloud the issue. We are now told that the Estey inquiry produced two reports, one of which will be made public and one of which will remain private. I find that unusual and irregular, Mr. Speaker. It would be interesting to know at whose instigation the report was made confidential. Is it at the minister's request or Judge Estey's request? We do not have that information. What is the point of a public inquiry if the pertinent matters are not going to be made public? If the recommendations are not made public it really means that this has been nothing but a cover-up.

The events that have taken place in the last 24 hours demand that more information be provided. In the final analysis these events may have led to the resignation of the chief executive officer, and perhaps of some other people.

In this whole business of Air Canada, as with other Crown corporations, we have found the government party to the veil of secrecy. There has been far too much secrecy in the analysis of the operations of this Crown corporation, Mr. Speaker. In my view parliamentary committees have become an ineffective mechanism to review the operations of a corporation such as Air Canada. We should be reminded that the last annual report of Air Canada considered by a parliamentary committee was the 1970 annual report. That certainly is not satisfactory.

● (1800)

The last time officials of Air Canada appeared before the Standing Committee on Transport and Communications was in November, 1973. We have seen all these shady deals and questionable actions taking place, but to this point in time we have not had the Air Canada people before a parliamentary committee to justify their actions or answer the allegations that have been levelled against them.

One has to be shocked at the government's continuing efforts to cover up information which parliament deserves, and which the public rightly deserves. In this final minute I again urge that the government heed one of the recommendations of its task force on government information, entitled "To Know and Be Known", where it is stated on page 49 that the cornerstone of a new information policy should be, and I quote:

[Mr. Mazankowski.]

—the government has an obligation to provide full, objective and timely information; and that the citizens have a right to such information.

This would be a perfect opportunity to show that the government is inclined to abide by that spirit.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Pursuant to Section 48(2), the question is on the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion which was negatived on the following division:

(*Division No. 83*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Balfour
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Brisco
Cadieu
Clarke (Vancouver Quadra)
Coates
Crouse
Darling
Douglas (Nanaimo-Cowichan-The Islands)
Epp
Fairweather
Forrestall
Friesen
Gilbert
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Howie
Huntington
Hurlburt
Jarvis
Johnston
Kempling
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
La Salle
Lavoie
MacDonald (Egmont)
MacLean
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nystrom
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Roche
Rodriguez
Rondeau
Schellenberger
Schumacher
Scott
Skoreyko
Stanfield
Stewart (Marquette)
Towers
Whittaker
Wise
Woolliams—71.

NAYS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Baker (Gander-Twillingate)
Basford
Béchard
Blais
Blouin
Boulanger
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont

Messrs.

Collenette	Herbert	McIsaac
Condon	Holt (Mrs.)	McRae
Corbin	Hopkins	Milne
Corriveau	Isabelle	Nicholson (Miss)
Côté	Jamieson	Olivier
Cullen	Joyal	Ouellet
Cyr	Lachance	Parent
Danson	Lalonde	Pearsall
Daudlin	Landers	Penner
De Bané	Lang	Pinard
Demers	Langlois	Portelance
Dionne (Northumberland-Miramichi)	Laniel	Prud'homme
	Lapointe	Railton
Douglas (Bruce-Grey)	Leblanc (Laurier)	Raines
	LeBlanc (Westmorland-Kent)	Reid
Drury		Richardson
Dupont	Lee	Roberts
Dupras	Lefebvre	Robinson
Duquet	Lessard	Rompkey
Faulkner	Loiselle (Chambly)	Rooney
Fleming		Roy (Timmins)
Flynn	Loiselle (Saint-Henri)	Roy (Laval)
Foster		Sauvé (Mrs.)
Fox	MacDonald (Cardigan)	Sharp
Francis	Macdonald (Rosedale)	Smith (Saint-Jean)
Gauthier (Ottawa-Vanier)		
Gendron	MacEachen	Stollery
Gillespie	MacFarlane	Tessier
Goodale	MacGuigan	Trudeau
Goyer	Mackasey	Trudel
Guay (St. Boniface)	Marceau	Turner (London East)
	Marchand (Langelier)	Whelan
Guilbault		Yanakis
Haidasz	Marchand (Kamloops-Cariboo)	Young—112.
Harquail		

● (1820)

Mr. Speaker: I therefore declare the motion lost. It being 6.30 p.m., pursuant to special order of the House I do now leave the chair till eight o'clock.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed consideration of Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Agriculture.

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

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on motion No. 1 in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin). Is it the pleasure of the House to adopt the said motion?

All those in favour of the motion please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it. The motion is negatived on division.

Motion No. 1 (Mr. Benjamin) negatived.

The Acting Speaker (Mrs. Morin): Motion No. 2 in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin). Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): All those in favour of the motion please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it. The motion is negatived on division.

Motion No. 2 (Mr. Benjamin) negatived.

● (2010)

The Acting Speaker (Mrs. Morin): Would the House agree to group together motions Nos. 3, 10, 13, 14, 15, 16 and 17, in the name of the minister, for debate and vote?

Some hon. Members: Agreed.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I should like to have an explanation on the record of the reason for these amendments.

An hon. Member: Where is the minister?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, the particular motions which you have just mentioned all relate very specifically and very simply to the changing of one particular date in the legislation. When the bill was first presented to the House on December 4, 1974, it had been our hope and intention that the legislation could have been dealt with in an expeditious fashion so that we might see the bill in place and operative beginning in this particular calendar year, that is, 1975.

However, the discussion in the House and at committee stage did take longer than anticipated, and the amendments which are presented at this particular moment all relate to a rather technical change in the statute in that we substitute a date in 1976 in the places in the statute where the date referred to was 1975. It is simply a correction in

that sense so that the bill will be realistic and rational in terms of the time in which we adopt it.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, the explanation by the Parliamentary Secretary to the Minister of Transport (Mr. Goodale) is correct to a point. But he made the mistake of using the word expeditious, and he also made the mistake of saying that it took longer than anticipated when it was up for debate in the House on second reading and in the committee.

We are not going to oppose these amendments because they have to be included. The bill cannot be effective for 1975, and would have to be effective for 1976 if it does pass.

These amendments have to go with the bill, but I should like to remind the House that this legislation was an urgent matter in 1971, and even more urgent in 1974 because the minister had seen the light and made some changes. The government House leader and the minister in December of 1974 said that this was a bill which had priority. I would like to add a further explanation to that of the parliamentary secretary so that the House has a full explanation of these amendments.

This urgent bill was introduced on December 4, 1974, but would you believe it was not called for second reading until April 28, 1975? That was four months after it was introduced for first reading. At the committee stage the committee spent some eight or nine days on a trip out west to hold hearings in five locations in western Canada. Even if we allow three or four weeks for the Easter recess, that eliminates one month.

Mr. Goodale: You didn't even read the bill, Les, when we gave you three months to read it.

Mr. Benjamin: It was not on the priority list, so we did not get to the bill for second reading until April 28. That was through on May 6 after a total of 28 speeches—five Liberal, six NDP, and 19 Progressive Conservatives. That could not be called a prolonged and protracted debate, because the 19 Conservatives did not have very much to say anyway.

Some hon. Members: Hear, hear!

Mr. Benjamin: Would you believe the committee finally got the bill to consider on June 5? According to the minister and the parliamentary secretary, this was the greatest piece of legislation since sliced bread. The committee had the bill until July 15, and that included the tour by the agricultural committee in five centres in western Canada holding hearings, which we never really did completely finish. The committee reported to the House on July 17. The House sat until July 30, as we were wrestling with the gasoline tax. We returned on October 14, and the minister has not called the bill again until today. There is September, October, and November. What is it today, the 24th?

An hon. Member: The 27th.

The Acting Speaker (Mrs. Morin): Order, please. Is the hon. member speaking on a point of order, or is he speaking on motion No. 3? Just now we are on a point of order with regard to whether we accept for purposes of debate the grouping together of motions Nos. 3, 10, 13, 14, 15, 16, and 17.

Mr. Broadbent: Oh, yes. He has been speaking on that.

Mr. Benjamin: We all agreed to that before I got up.

The Acting Speaker (Mrs. Morin): Is it agreed that we group together those motions for debate and vote?

Some hon. Members: Agreed.

Mr. Blais: Start over again, Les.

Mr. Goodale: Don't start over again, Les.

Mr. Benjamin: Madam Speaker, by unanimous consent hon. members opposite want me to start all over again.

The Acting Speaker (Mrs. Morin): Order, please.

Hon. Jack Cullen (for the Minister of Transport) moved:

Motion No. 3

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 6 by striking out line 33 at page 6 and substituting the following therefor:

"December 31, 1976, the participant shall".

Motion No. 10.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 16 by striking out line 37 at page 20 and substituting the following therefor;

"year after 1976,"

Motion No. 13.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 49 by striking out line 30 at page 43 and substituting the following therefor:

"1976 after January 1 of that year and the".

Motion No. 14.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 49 by striking out lines 3 to 6 at page 44 and substituting the following therefor:

"1976 if this Act were in effect on January 1, 1976, on application to the Minister by the participant before the 15th day of January, 1977 and the payment to the".

Motion No. 15.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 49 by striking out line 15 at page 44 and substituting the following therefor:

"which the levy has been deducted for 1976."

Motion No. 16.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 49 by striking out line 17 at page 44 and substituting the following therefor:

"before August 1, 1976 by the Canadian".

Motion No. 17

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 49 by striking out line 24 at page 44 and substituting the following therefor:

"levy has been deducted for 1976 and no".

Mr. Benjamin: When we all shouted "Agreed" to the grouping of these motions, I presumed that was the end of the matter of grouping, but it is not the end of what I have to say.

The purport of my remarks is to the effect that the purpose of the amendments, motion No. 3 and those subsequent, is that in spite of the high priority the government has placed on this bill since December 4 of last year, and because of a lack of sympathy and co-operation from the rest of the cabinet and the House leader, the greater portion of that time since last December 4 has been taken up by the failure of the government to call the bill. I just want to make sure we have everything on the record.

What the parliamentary secretary had to say was perfectly accurate, but not quite complete or up to date, so I wanted to be helpful to him and to complete the record to show why we have these amendments which are grouped, which is in order that the bill can be effective if not useful in 1976 as it could not be in 1975.

Mr. Doug Neil (Moose Jaw): Madam Speaker, I should like to make a few remarks with respect to the comments made by the Parliamentary Secretary to the Minister of Transport (Mr. Goodale). I want to make it perfectly clear that there was no attempt on the part of members on this side of the House to delay passage of the bill.

● (2020)

This is a very complicated piece of legislation. It required considerable study, and considerable questioning of the minister and his officials to determine the nature of the bill and the nature of the clauses. We travelled around western Canada for one week and heard presentations of briefs by a great many organizations. They said they did not understand it. I think it was important to spend a fair amount of time on the bill and we did so, trying to understand its complexities and getting the information out to our constituents.

In response to the hon. member for Regina-Lake Centre (Mr. Benjamin) who said that the 19 Progressive Conservatives did not have too much to say, I should like to stress to him that what we did say made a lot of sense.

Some hon. Members: Hear, hear!

An hon. Member: It did not take very long, either.

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

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on motions Nos. 3, 10, 13, 14, 15, 16 and 17.

Is it the pleasure of the House to adopt these said motions. All those in favour of the motions please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

Carried on division.

Motions Nos. 3, 10, and 13 to 17 inclusive (Mr. Lang) agreed to.

The Acting Speaker (Mrs. Morin): The House will now consider motion No. 4.

Hon. Jack Cullen (for the Minister of Transport) moved:

Motion No. 4.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in clause 6 by adding immediately after line 2 at page 7, the following subclause:

> "(2.1) Subsection (2) ceases to apply to a participant who, pursuant to that subsection, is deemed to continue to be a participant, when that participant again elects to participate under this act by filing a notice in writing under subsection 5(2)."

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I just want to ask a question of the parliamentary secretary. From my reading of the bill and the motion this appears to be strictly a technical motion. I should like to know if I read it correctly.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, the hon. member's interpretation is correct. This particular addition to clause 6 of the bill is a technical measure.

Subclause 2 of clause 6 provides for the eventuality where a producer, in one of his three optional years, has decided to opt out of the legislation, and what in consequence of that happens to his levies in the stabilization fund. The clause, of course, provides that the levies paid in during the year he opted out are returned to him, and that he retains an interest in the fund for levies paid in previous years. If there is a payout from the stabilization fund in a relevant year then he may qualify to the extent that he still has an interest in the stabilization fund.

There was a bit of an anomalous situation where the producer at some later stage exercises his option to re-enter the program. Despite the fact that he made the election to come in as a full time participant again in the plan, on this particular subclause technically still applied to him. It was really redundant to have that kind of provision in the bill.

All the amendment does is say that where the producer has exercised the option to re-enter the plan, then subclause 2 of clause 6 no longer applies to him in those circumstances.

Mr. Nystrom: It is my understanding that a producer cannot be treated as both a deemed participant and a conditional participant at the same time—you have three classifications of participants—depending on whether or not he just opted in or opted out, or whether or not he had been in all along. Am I correct in saying he cannot be a deemed participant at the same time as being a conditional participant?

Mr. Goodale: That was the intention of this particular amendment, Madam Speaker, so that a producer would not be in a confused situation at one particular moment. The bill provides in an orderly way for him to work his way back into the plan once he has decided to make that election. This particular clause prevents him from being in two rather inconsistent roles at the same time.

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

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on motion No. 4. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

Carried on division.

Motion No. 4 (Mr. Lang) agreed to.

The Acting Speaker (Mrs. Morin): With respect to motion No. 5 there seems to be some difficulty as to the acceptability of this motion. Would the House agree to defer motion No. 5 until all the others have been dealt with? Is it agreed?

Mr. Knowles (Winnipeg North Centre): Madam Speaker, your suggestion creates a slight difficulty. We had an unofficial huddle at 6.30 as to what we would do tonight. We hoped to finish debate tonight on motions Nos. 5, 6, and 9, even to the point of taking votes on them before the evening was over. You are asking us now to defer No. 5. This upsets the plan that had been made. Perhaps your Honour could tell the House what the problem is with motion No. 5.

The Acting Speaker (Mrs. Morin): It appears that motion No. 5 seems to extend the scope of deduction admissible under the bill. The Chair would like to hear arguments pro and con on this motion.

Mr. Benjamin: Madam Speaker, I am not an expert on the rules—I leave that to my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles). This motion only intends to enshrine in the bill what is already there, namely, the criteria for cost of production. All the motion intends to do is make sure that items in the criteria for the cost of production are included in this legislation as they are in other federal and provincial legislation. That is all it does. I submit, Madam Speaker, that neither you nor I may construe that to mean a charge on the public purse, which an opposition member—not of the cabinet—cannot move.

You will notice that the motion calls for including in the cost of production criteria, depreciation on farm machinery, equipment and buildings, and interest charges on those items, and payments made by farmers for their stabilization levies. That may not make the slightest bit of difference in the total net grain income for the entire region over which the bill has jurisdiction, in which case there would be no payout. For the years in which there is to be a payout which is contributed to by farmers as well as the treasury, however, the cost of production criteria will be the same as under the Farm Products Marketing Agencies Act and as under several provincial marketing acts, and as under some marketing boards. That is all the amendment requests. If there is any way in which one can connect this with a direct charge on the public purse I have yet to hear it explained.

● (2030)

The amendment was moved in committee, accepted by the chairman, debated, voted on, and never was it suggested that it was out of order. It has been on the order paper since July 23, and no one has suggested it is out of order. I conclude that since this item was not ruled out of order in committee, either by the chairman or others, and was not challenged, it is in order. I choose to believe that all committee members, including the chairman, felt the motion to be perfectly in order. I submit that it still is in order.

Mr. Blais: Madam Speaker, I looked at the bill and I understand that you object to the amendment on grounds that it increases the charge on the public purse. The point is important. Yet subclause (3) of clause 8 says:

> For the purpose of paragraph (1)(a), the area gross expenses attributable to the commercial production and sale of grain by all producers for a year under review shall comprise such costs for the year as may be prescribed for the designated area in respect of . . .

The areas to be covered are then delineated. Therefore I do not see how the hon. member's proposal would tend to increase the charge on the public purse. Perhaps my hon. friend's point is well taken.

Mr. Neil: Madam Speaker, I agree with the hon. member for Regina-Lake Centre (Mr. Benjamin). Although I am not expert on rules of parliamentary procedure I know that a private member cannot bring a motion which will place a charge on the public purse. The bill provides for fixed contributions to be made by the producer and the government. The government may, from time to time, pay additional amounts of money by way of loan, on which interest is to be charged. Ultimately additional funds loaned are to be repaid to the government, as well as interest levied against the producer. Consequently nothing in the amendment would impose a charge on the public purse. Therefore I submit the amendment is in order.

Mr. Baker (Gander-Twillingate): Madam Speaker, if the hon. member introducing this amendment does not think his proposal will increase the charge on the public purse, or the amount of money which can be received in a pay-out year, why has he introduced it?

Mr. Schellenberger: Madam Speaker, I agree with the hon. member for Regina-Lake Centre (Mr. Benjamin). I submit that his proposed amendment to clause 8 defines the formula which will trigger a payment. Consequently it has nothing to do with cost to the public purse. It is, after all, only a formula. That being so, I submit the amendment ought to be allowed.

Mr. McIsaac: Madam Speaker, it is difficult to debate this point of order without considering the point raised by the hon. member from Newfoundland.

Mr. Benjamin: What! You wouldn't know a bushel of wheat if one hit you in the face.

Mr. McIsaac: It is suggested that the motion has to do with a formula for triggering payments, of which $2,000 would come from the treasury and $1,000 from the producer. The proposal would therefore affect the formula governing payouts and amounts forthcoming from the treasury. I submit it would tend to increase the amount paid, or change the pattern or formula under which the payout is made.

I do not quarrel with attempts to debate the motion, but I do admit that it would entail extra charges on the public purse.

Mr. Towers: Madam Speaker, may I speak to this point of order? It is most unfortunate that people who do not understand the bill should raise questions about it.

An hon. Member: Were you on the committee?

Mr. Benjamin: Yes, he was there.

Mr. Towers: Madam Speaker, if hon. members opposite were as experienced at growing grain as I am, and had grown as much as I have, I would be prepared to listen to them and take notice of what they say.

Some hon. Members: Hear, hear!

Mr. Towers: I agree, in this instance, with the hon. member for Regina-Lake Centre (Mr. Benjamin). Sometimes I don't; this time I do. His motion, which I hope you will allow, would merely define the manner in which payouts are to be made. I agree with the hon. member for Moose Jaw (Mr. Neil) who says this will not be a drain on the public purse. The contributor, in this case the producer, can put up to $500 per year into the fund, and the government in turn will be obligated under this bill to put in $1,000. Payments will be made out of the fund. Therefore the proposal does not involve a drain on the public purse. It merely establishes the formula on which the payment will be made, and nothing else.

It will mean that the minister and the department must include certain costs as costs of production. The minister has already agreed to this. Therefore this merely involves certain guidelines. Any person suggesting this would involve an extra drain on the public purse does not know what he is talking about. I hope you will allow this motion which deals with an important aspect of this bill.

We already feel that the Minister of Agriculture (Mr. Whelan) shortchanged the farming community when he brought in another farm stabilization bill. We do not want that to happen again. That is why we want to see certain safeguards included in governing payouts. It should be done under an established formula. I hope you will allow the motion to be put.

Mr. Benjamin: Madam Speaker, an hon. member opposite asked me a question. I think the hon. member for Red Deer (Mr. Towers) put his finger on the matter much better than I did. He mentioned a formula relating to cost of production. If the farmer is to put in $500, and the government's contribution to the fund is to be $1,000, the payout, in this context, will be $1,500. I do not see how that changes anything. Whatever changes parliament may decide to make, I submit that any decision regarding cost of production criteria will have no bearing on the total amount of money the treasury is to put into the grain stabilization fund. Even if you were to include the cost of keeping the wife and kids in your cost of production, that would not affect the total amount the treasury is to put into the grain stabilization fund. It will put in 4 per cent of the grain sales proceeds, and the farmers 2 per cent. I do not see how the amendment can impose a charge on the public purse.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, may I offer a word? I recognize that part of what I will say is not a good procedural argument; I offer it in any case.

Mr. Broadbent: That sounds like Mitchell Sharp.

Mr. Nystrom: This is an historic day.

Mr. Knowles (Winnipeg North Centre): As I said earlier, certain discussions were held this evening about what would take place and without it being iron clad, there was general agreement among representatives of the parties that we try to get past motion No. 9 tonight, and have votes on Nos. 5, 6 and 9.

● (2040)

It does throw things out a bit if No. 5 is not even accepted. I couple that with the fact, as has been reported to Your Honour, that motion No. 5 was presented to the committee, debated, and voted on. There was no challenge there to its procedural admissibility. I therefore suggest that, if Your Honour finds it is a borderline case, you might consider the fact that it had been planned to have this motion brought to a conclusion tonight, along with a couple of others.

Mr. Hamilton (Swift Current-Maple Creek): Madam Speaker, the arguments you have heard on motion No. 5 point out one of the basic faults with the bill in that it is complicated beyond the understanding of most farmers and most members of parliament. Motion No. 5 tends to change the very complicated formula in a very realistic way. That formula is only used in the act to trigger a payment. It in no way affects the size of the payment.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I know the difficulties you are under, but I think the point made by the hon. member for Red Deer (Mr. Towers) was correct. This amendment in no way affects what is in the statute as the maximum contributions for

the farmers are set out, and the maximums for the government are set out. This is simply a device to trigger off the payment on a different set of criteria. In no way can it be said that this affects the balance of ways and means of the Queen's money in this instance.

The Acting Speaker (Mrs. Morin): I thank hon. members for their contribution. Maybe the best solution would be to let the House decide. I will put the motion to the House.

Mr. Les Benjamin (Regina-Lake Centre) moved:

Motion No. 5.

That Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 8 by

(*a*) striking out the word "and" at the end of line 19 at page 11;

(*b*) replacing the period at line 22 at page 11 with a semi-colon; and

(*c*) adding immediately after line 22 at page 11 the following:

"(*i*) depreciation on farm machinery and equipment used for grain production or used in the farm business in respect of grain production and transportation;

(*j*) interest charges incurred in respect of the production or sale of grain; and

(*k*) producer levies in respect of this Act."

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

Mr. Benjamin: Madam Speaker, I would hope to kiss a bow-legged bumblebee if we are ready to adopt this motion.

An hon. Member: We are ready to vote on it.

Mr. Benjamin: We are, as soon as I and several others get through persuading the Minister of Agriculture (Mr. Whelan) of the justice of this amendment. The amendment covers items that I have heard the minister himself say are legitimate costs of production for farm producers. If the minister reads the motion I know he will get to his feet and agree that it coincides exactly with his views on proper costs of production for agricultural producers.

The motion adds to the criteria in the bill. The new subparagraphs read:

(*i*) depreciation on farm machinery and equipment used for grain production or used in the farm business in respect of grain production and transportation.

(*j*) interest charges incurred in respect of the production or sale of grain; and

(*k*) producer levies in respect of this Act.

I agree with the minister in charge of the Canadian Wheat Board, and it is very rare that happens, but interest payments on land is not a cost of production because land has appreciated in all years except the dirty thirties. As a rule, land appreciates in value. Interest payments on land are really part of a capital investment which will be recovered, and then some, when the land is sold. However, surely the Minister of Agriculture will agree that interest payments on farm buildings and equipment required for the production of grain is a legitimate cost of production. Those items all depreciate, and depreciate rapidly.

The Government of Canada, the Minister of Finance (Mr. Macdonald), the Minister of National Revenue (Mr. Cullen), and their predecessors, for many years have allowed interest charges on machinery, buildings and equipment as a legitimate expense. If such an expense is not a cost of production, I have never seen one. This is already allowed in the taxation laws of Canada. Interest on machinery, equipment and buildings is allowed as an expense by several marketing boards. I am sure the Minister of Agriculture will agree that it is a legitimate cost of production. That is why I asked the Minister of Agriculture a couple of questions the other day about marketing boards and the anti-inflation bill.

If the criteria for cost of production that are enclosed in Bill C-41 are applied by the Anti-Inflation Board, farmers in the minister's area and mine will get it in the neck when it comes to restraint. There are farmers in my constituency and in that of the minister's whose payments annually for interest charges on loans for farm machinery, equipment and buildings go anywhere from several hundred dollars to $2,000 to $3,000.

The Professional Association of Accountants, federal income tax laws, several marketing boards, universities, farm management groups, and farm organizations all recognize that this is a legitimate cost of production. Why then does the minister in charge of the wheat board exclude it from this bill?

As I said earlier, I agree that interest payments on land can be excluded, but how can you exclude interest payments on machinery, equipment and buildings? The interest on a frame granary and machine shed is only about 5 per cent a year. That is not a big deal to the government. It is not a big deal to the grain stabilization board; However, it is big to the farmer making the payments.

There is a further point, the matter of depreciation. Again the income tax laws permit depreciation on machinery, equipment and buildings as a legitimate expense of production, a legitimate part of the cost of producing a bushel of grain for the six grains under this bill. That has been the law of the land since World War I. However, the minister in charge of the Canadian Wheat Board says it cannot be allowed under this bill.

I am sure that depreciation is computed as a legitimate part of the cost of production by CEMA. Egg producers who make loans to buy equipment and put up buildings can include depreciation as a part of their production. That is legitimate, regardless of what Mrs. Plumptre might say.

Costs of production computed by the Saskatchewan Hog Marketing Commission include the cost of loans made by farmers to erect small barns and the ancillary equipment needed for them. Depreciation on buildings and equipment is a legitimate expense and legitimate part of the cost of production. However, for grain producers the minister in charge of the Canadian Wheat Board says it is not part of the cost of production formula. Surely the Minister of Agriculture cannot agree with that. I cannot. I know that a number of farmers sitting on the opposite side of the House cannot agree with it. Why cannot we have a cost of production formula which is relatively uniform across the country? Why is there the exception for producers under this so-called grain income stabilization plan?

● (2050)

I wish to say a word now about the stabilization fee, the 2 per cent premium to be paid under the plan. That is the

same as a crop insurance premium, the same as other insurance premiums, sickness and accident insurance premiums, car insurance and truck insurance premiums, all of which farmers are allowed to deduct as an expense under the income tax laws, all of which are included as a legitimate cost of production under CEMA and 20 or 30 other marketing boards across Canada. It is deductible. But in the bill before us it suddenly ceases to be a cost of production.

A farmer who delivers, say, $25,000 worth of grain pays 2 per cent into the fund, that is, $500. That is his premium. If he comes under a marketing board, that is considered part of his cost of production. I have yet to hear any argument from the minister in charge of the Wheat Board, from the hon. member for Assiniboia (Mr. Goodale), or the hon. member for Battleford-Kindersley (Mr. McIsaac) as to why this should not be a legitimate deduction, as it is under the Income Tax Act or under marketing boards for other commodities.

Mr. Goodale: It is deductible.

Mr. Benjamin: It does not say so in the bill, unless I have misread it. Well, if I am wrong, and the hon. member for Assiniboia is right, all I am trying to do is make doubly sure.

Some hon. Members: Oh, oh!

Mr. Benjamin: In any case it is in my amendment, so passing it will not make any difference. If it is already in the bill, we shall only have added some syrup to the pie. If I am wrong, I do not mind admitting it. I just want to be extra cautious and make sure the bill is the best possible one for grain producers.

As to the other matters, it is incomprehensible to me that interest payments on machinery and buildings should suddenly cease to be an accepted cost of production under the terms of the bill before us. In particular I cannot understand why depreciation of machinery should not be a cost of production for the purpose of this bill, as it is everywhere else.

I put these questions to the hon. member for Assiniboia who is trying to pinch hit, although I understand he is not a good batter. As an old country pitcher I like to put these questions to him. I hope he will rise on behalf of the government and tell us this amendment is eminently fair, that it is not out of place, and that it will mean no extra cost to the treasury. I hope he will recognize that the amendment makes the bill conform to the accepted practice in business circles, financial circles generally, and the income tax laws, and agree to accept it without troubling the House by calling for a vote.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to speak in favour of this amendment. I will speak in support of it because of the way the payment is triggered. The formula to which the hon. member for Regina-Lake Centre (Mr. Benjamin) referred has been prepared by bureaucrats in the Department of Agriculture and I can only describe it as a statistical wonder. It will keep Statistics Canada hiring people to go around the country and gather all the information required by the formula, one which comprises sections from (a) to (o). At the moment we are discussing section (b) relating to gross expenses.

As I look at the situation I see interest rates incurred by agriculture increasing dramatically in the years to come. I play with statistics a little myself from time to time, and I have examined the amount of credit outstanding in the agricultural sector today. It was difficult to come up with these figures because Statistics Canada does not collect them. However, various credit agencies gave me figures; I do not claim they are totally accurate but they are the best I could come up with.

The figures show that between 1968-72 long term credit in Canada amounted to some $2,132,000,000, intermediate credit to some $1,808,000,000, and short-term credit to around $1,933,000,000. That is a lot of money. Let us put it in terms we can understand, that is, the average debt per farmer. In 1971 it came to $12,911. It has increased substantially since that time. In 1972 it was $14,433, in 1973 it was $17,295, and in 1974 it was $18,021. That amounts to some $6,000 increase per farmer in the debt carried.

Interest charges have grown heavier not because of the increase of the debt but because interest rates have risen. Interest payments on indebtedness in Canadian agriculture in 1971 amounted to $918 per year per farmer. In a matter of three years this has risen to $1,500. It seems to me that as the cost of land and machinery increases, the loan and interest charges carried by the farmer will rise substantially.

● (2100)

To my mind, in order to make this formula realistic—and if anyone can understand it, statisticians should be able to—it is absolutely necessary that in future years interest charges and depreciation on farm machinery be included in the cost of production formula that will be put into the calculation of the aggregate stabilization payment to determine whether a payment to western farmers is triggered or not triggered. These are the reasons why I feel that this amendment should be supported.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to deal with the many points raised by the hon. member for Wetaskiwin (Mr. Schellenberger) and the hon. member for Regina-Lake Centre (Mr. Benjamin).

The hon. member for Regina-Lake Centre suggested that three items should be included in the cost of production formula. To take the last point first, the producer levies, his argument can be disposed of rather quickly by my confirming to him formally that just as producer levies are tax deductible they are also one of the costs included in the calculation of the cost of production in this plan. Clearly under clause 8(3)(f), insurance premiums, such things as producer contributions to a crop insurance plan are included. That is clearly the intention of the legislation, so that particular concern of the hon. member for Regina-Lake Centre can be laid to rest rather quickly.

The second point that he mentioned, and which was alluded to by the hon. member for Wetaskiwin in more detail, was the matter of interest. As both hon. members pointed out, long-term interest, which is really investment of money in land or other things, is something that should

not be included as a cash cost for operating expenses under the plan because it is something of quite a different nature and would not properly be included in the definition of "cost of production" in this bill.

I think the hon. member for Regina-Lake Centre conceded that point; his more basic question had to do with short and medium term interest. Again I suggest to him that that particular matter is covered in the legislation in that the cost of production formula includes the cash costs associated with the production of the grains that are covered by the plan. Any of the items enumerated from paragraph (a) to (h) which involve an expenditure of money at medium or short term interest are therefore included.

If the hon. member for Regina-Lake Centre wants to argue the point it may be by implication, but it is very definitely a factor that is included in the survey material that Statistics Canada will be gathering later next spring and the following year. Again medium and long-term interest, where they relate to expenditures for grain production as enumerated in paragraphs (a) to (h), are clearly covered by the bill.

The third point that the hon. member raised in speaking to the amendment is a more complicated one, and I should like to take a few moments to deal with this question of depreciation. As hon. members know, or at least as those who were on our committee in western Canada know, a great many producers raised questions concerning depreciation. There can be no doubt that if you were to ask a producer a very blunt and straightforward question about what he views to be one of this most important cost items, he will probably reply that it is depreciation. It was not very long ago that western Canadian grain producers were literally living off their depreciation. It is an item that is first and foremost on their minds. When one looks at the particular provision in the context of the grain stabilization bill, one can see that the inclusion of depreciation is not something that would enhance the protection that this bill offers western Canadian grain producers.

The first argument that I would offer in support of that is one that may be regarded as economic theory but which is valid in the sense that an expenditure made on machinery or major equipment is not so much a cash expenditure, such as an expenditure on seed, fertilizer, gas or oil—an expenditure that a farmer makes every year in the course of production—but is really a longer term investment. Granted, it is not an investment in a sense of investing in land, which is more or less permanent, but is an investment expenditure.

As I have said, and as other hon. members have indicated, the costs enumerated in this bill are cash costs associated with production in each year. So there is a theoretical difficulty in including an expenditure which, granted, farmers make, but make over the longer term; they do not make it year by year.

The question is: how do you arrive at a fair, reasonable and actuarially sound basis for taking that factor into consideration? A great deal of work has been done in investigating two questions. The first is whether it may legitimately be included in the plan; the second is that, if it is not, what are the methods whereby you can accommodate the suggestion that it should?

[Mr. Goodale.]

The first approach, I suppose, is simply to calculate a standard average figure for depreciation across the board for the prairie region and to plug that figure into the legislation at the appropriate point. The problem there is that it does not change the calculation one bit, because you would add that standard average figure year by year to the moving five year average as well as to the sixth year's specific figure. When you subtract the one figure from the other you end up with exactly the same figure as if you had not added the same factor to both sides. Put simply, five minus three is two, just as four minus two is two. The net result is the same if you add the same figure to both sides and then subtract them one from the other. You have not changed the dollar value at all. Doing this with an across the board average figure would not change the result, and thus you have not improved the protection available to producers under the bill.

The second approach, I suppose, would be to try to come up with the actual figure. Instead of finding an average that you plug in arbitrarily, you come up with the actual figure representing the expenditures made by farmers on major equipment. The difficulty there leads me back to the original theoretical point that I was making about depreciation, and that is that it is an investment expenditure, not so much a cash expenditure year by year.

When you look at the expenditures made by producers over time, they make major expenditures of this kind in their good years. For the purposes of this plan, this would be in the years when the net cash flow is the broadest. They refrain from making major investment expenditures in years when the net cash flow is narrowest. If you were to include the actual figures, you would add the additional or broader expense in the year when the net cash flow is broadest, and therefore the year when you do not need the expense; you would not add it in the year when the net cash flow is narrowest, in the year when the greater expense would justify a payment from the fund.

The real dilemma with this concept is that you add this expense in the wrong years, and you do not add it in the right years, with the net result that the flow of the plan over time is distorted, and the net protection that is available to producers may very well be reduced, not improved, by including depreciation.

● (2110)

For these reasons, both theoretical and practical, I would be opposed to this particular amendment which includes depreciation, which I think takes away from the actuarial soundness of the plan and makes mention of other things such as interest and producer levies which I suggest are already in the bill with the other points enumerated.

I should also like to deal with the argument raised by the hon. member for Wetaskiwin about the alleged great bureaucracy that will be involved in the grain stabilization plan, an army of bureaucrats who will be tramping across the prairies to make the plan effective. I think that is a common allegation, but it is a misconception. The fact of the matter is that it simply is not so.

There will not be a great siege by government employees descending upon the prairies to make this plan work. The Western Grain Stabilization Administration will be located in a rather small office in the city of Winnipeg. I am

told the number of permanent employees will be perhaps 12 or 15. During the start-up stages there may be some additional expense involved, but in the longer term I believe the cost of the plan will be something in the order of $300,000.

It is interesting also to look at the cost of the plan in terms of administration compared to the cost of administering provincial crop insurance plans, which some members suggest would be a better plan than this. If you take the cost of the crop insurance plans in the provinces of Saskatchewan, Manitoba or Alberta you will find that this particular plan costs at the very most one-fifth as much as the least expensive of those plans. This plan will not be a burden upon the public treasury. It will not be a burden on the producer in terms of the administrative cost because this cost will not be borne from the fund but entirely by the federal treasury and the Government of Canada. So, in no way can it in fairness be alleged that this plan will create a bureaucratic jungle. Those suggestions simply are not true. I think the proof of the pudding will be in the eating when we see the plan in place, it is to be hoped by January 1, 1976.

I would invite hon. members to think very seriously about the arguments I have put forward particularly in respect of depreciation. I suggest the other points are also included, and I would urge that the amendment be defeated.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I sat in on much of the discussion in the committee. I think one of the great weaknesses in this type of a plan has become apparent tonight.

I have listened over a long period to the minister responsible for the Canadian Wheat Board indicate that we were talking about stabilization of income, that it was the income that was to be stabilized, and that this would be accomplished through this levy over a period of time. In other words the money would be collected in the good years and the payout would come in the bad years.

The parliamentary secretary tonight changes all that and says that we are operating on an income insurance program rather than income stabilization, that we are using the net cash flow as against net income. He indicates that while it is always made very clear by the minister responsible for the Wheat Board that we are talking about levies and are not talking about insurance, in no way is any percentage of the level of income insured. In other words you do not get poor too fast nor do you get rich too fast.

There is nothing to say you would be insured against becoming poor in a bad year, or that you would be insured against being rich in a good year. If the hon. member for Assiniboia (Mr. Goodale) is confused, so am I. Either he is right or the minister responsible for the bill is right.

Mr. Goodale: We are both right.

Mr. Peters: I would agree with him if he really had responsibility for this bill. I think we have come a long way forward from that period of three or four years ago when it was totally a stabilization bill and where there was no cost of production included in it. If he is now saying that we are to put in the levies, that this will be part of the cost of production, and that some of the other things like the interest charges on short-term investment for farm machinery and other short-term investments will be part of the cost of production under this legislation, then I think we have come a long way forward. But I do not think that is in the bill.

I have never seen the Minister of Transport (Mr. Lang), who is responsible for the wheat board, at any time change his mind. In fact once he makes up his mind, whether he is right or wrong, he never changes it. There is absolutely no flexibility in his mind. I have seen him on occasion lose a bill in this House rather than make any kind of amendment to that bill, no matter how small. He does not change his mind. However, the hon. member for Assiniboia in changing the interpretation of what we are doing really in effect has gone a long way, in my opinion, in making this a much more acceptable bill.

The problem we are having in all sectors of agriculture today is in finding out and spelling out the factors which go into making up the cost of production. We had this difficulty in respect of CEMA. There are the arguments which take place concerning the actual rise in the cost of production which goes into the product. There has been a considerable difference of opinion concerning what constitutes those particular items. In this bill a number of those cost of production items have been delineated.

In addition to that it has been suggested we include such things as the stabilization levy under this bill. If this is called an insurance premium I assume it is covered, but I am not sure what we are talking about in respect of insurance premiums. There are the premiums payable under the provincial insurance programs which also may affect parts of the grain industry that are being covered by this bill. Those are insurance premiums and will be allowed as a cost expense.

The depreciation, in my opinion, was handled very loosely by the hon. member for Assiniboia. He indicated that if income should be high the farmer would spend money on new machinery, and then following a great number of bad years, the farmer would find in another couple of good years that it would be absolutely necessary to replace all the machinery. The farmer would be replacing machinery that had run out of depreciation from an income tax point of view a number of years previously.

● (2120)

Farmers could not buy new machinery because they did not have any money. It was a very simple process. And when they did have some money one of the things they had to do was make an expenditure for modernizing the equipment necessary in their operations.

Hon. members should know that when a farmer runs out of depreciation, it usually indicates there were a number of bad years when he was not able to replace his machinery, no matter how bad it was. He could not replace it, and he could not take advantage of any deduction he might have had with regard to income tax for the simple reason that he had no income. Therefore, he had no depreciation, he could not use any depreciation, and there was also no income tax. There were many years when many farmers found themselves in that position. There are many of us who have been concerned for some time about this problem, and we would like to have the formula established in a way in

which it could be applied not only to this piece of legislation but also to the income tax legislation, and to all the other legislation which uses these same criteria or similar criteria in establishing cost of production for a given commodity.

Our legislation has always been pretty sloppy in many ways. I can think of at least five or six different acts where a person is considered to be disabled, and the criteria for establishing disability under the Canada Pension Plan, veterans allowance, workmen's compensation in Ontario, and family benefits legislation are different in each case.

It seems to me that in setting up our cost of production and the items which go into making up cost of production we should be working very hard at getting uniform cost of production criteria which will apply to all legislation farmers may use so that they will not have great difficulty in deciding what is allowed and in which piece of legislation it may be.

The parliamentary secretary continued to talk about net cash flow versus net income, and it seems to me that in this legislation there is no relationship to net cash flow; that that was not the criterion. It also is a fact that this did not start out as a net income insurance program. This was supposed to be a stabilization of farm incomes to take out the highs and lows of fluctuation in farm income. Originally it was not at all concerned with cost of production. Now that it is changed so that the parliamentary secretary can indicate that we are interested in net cash flow, and we must also be interested in what the cost of that production might be.

The amendment before us adds one or two things which the parliamentary secretary is not sure are necessary. He indicates that others are already in the legislation. It seems to me that we are clarifying for the farmer the method of calculating net costs, and if we are able to do that I think we will be providing a service.

Much of this is already embodied in the thinking of the government, and will eventually end up as regulations, so that there should certainly be no objection to passing this amendment proposed by the hon. member for Regina-Lake Centre (Mr. Benjamin) because it only amounts to clarification.

If the parliamentary secretary is right, and we are now deciding what the net cash flow will be to provide a net cash income, and that this is an insurance toward that end, then there will not be any difficulty with this amendment as regards the regulations.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I should like to make a few comments on the amendment proposed by the hon. member for Regina-Lake Centre (Mr. Benjamin). We in our party support this amendment. Anyone in the farming business will certainly agree that depreciation and interest charges are major expenses when it comes to carrying on the business of farming. The question of depreciation was raised in committee on one or two occasions, and the minister went into a rather detailed and complicated explanation, almost as complicated as the bill itself. Now I find that the parliamentary secretary has given an explanation which is more complicated than that given by the minister.

Mr. Towers: He does not even understand it.

[Mr. Peters.]

Mr. Neil: It almost makes me think that perhaps the parliamentary secretary had a hand in drafting the legislation, although perhaps if he had he would have done a better job because when it comes to interpreting some of these clauses one needs a computer mind.

I was interested in the comment made by the parliamentary secretary that this operation could be carried on by a very small number of people and would not require a large build up of bureaucrats. But if we look at the supplementary estimates which were tabled in the House as recently as November 12 we find that there is an item of some $300,000, and this does not make any provision for the levy the government would be matching. I assume this is to pay for the setting up of offices and to cover the salaries of the staff from now until March 31.

An interesting aspect arose in the committee hearings, and that was that Statistics Canada would be the body which would determine the various expenses listed under clause 8, which we are considering amending at the present time. As I recall, we were told by officials of the department that some 1,300 to 1,500 typical farmers would be visited in a very short period of time after the end of the year, and these people from Statistics Canada would take a form and gain certain information from the farmers themselves. They would be asking these farmers for details about their expenses at a time when they had not had an opportunity of preparing their income tax returns, and I suspect that they would be rather reluctant to supply these figures.

In addition, it is my understanding from the committee, and from reading the bill, that there has to be a year end inventory taken of grain on farms. I assume it would be a sampling, but if these people from Statistic Canada are going to be the people trying to determine the amount of grain in storage on the farms, I am afraid they will have a difficult time.

● (2130)

In committee we suggested that if the government wanted to save money, the figures it is attempting to get from the farmers with respect to expenses are already included in the farmers' annual income tax return. It would be a very simple matter to pick out the 1300 or 1500 farmers who are typical and have their income tax returns colour coded, or perhaps ask them to file earlier in the year. The figures could be extracted from the returns, plugged into a computer and then the government would have a very accurate answer, one based on the actual expenses of the farmer rather than on estimates obtained from people in Statistics Canada travelling to those 13,000 or 15,000 farmers in mid-winter.

We in this party support the amendment of the hon. member for Regina-Lake Centre. We agree that the items he has included are real expenses as far as the farmer is concerned.

The parliamentary secretary has said that subparagraph (k) of the motion which reads "producer levies in respect of this act" comes within paragraph 8.(3) (f) "insurance premiums." The hon. parliamentary secretary is a lawyer like myself, and I think he would agree that we would have a difficult time explaining to a judge that these levies under a grain stabilization bill are considered insurance

premiums. There seems some doubt about it to me. I would suggest there should be an amendment to include these levies in the expense section if this is the intention. The parliamentary secretary has put it on the record, and I would assume that perhaps without an amendment the officials in the department will include this particular item as an expense.

Reference has been made to interest charges being included in the bill but I have not been able to find this. As I mentioned, the bill is very complicated. You would need a computer mind to understand it. It is possible that interest charges are included somewhere, but up to this time I have not been able to find them.

Mr. Nystrom: Mr. Speaker, I should like to put one or two questions to the parliamentary secretary.

Mr. Deputy Speaker: Order, please. I hope the hon. member does not expect that the parliamentary secretary will be allowed to answer the questions now. We are not in committee of the whole. The hon. parliamentary secretary having spoken, cannot reply to questions.

Mr. Nystrom: Then I will put questions to someone on the other side who could respond, whether it is the government House leader or the parliamentary secretary. If I remember correctly, the minister in charge of the Wheat Board, the Minister of Transport (Mr. Lang) said several times during committee hearings, and has said elsewhere publicly, that he does not consider this western farm stabilization plan to be an insurance scheme.

The hon. member for Regina-Lake Centre (Mr. Benjamin) in his amendment has proposed premiums or levies or fees being deducted as a legitimate expense. When the parliamentary secretary was responding he said that was already covered in the bill at page 11 under clause 8. (3) (f) "insurance premiums." After listening to the minister in charge of the Wheat Board it would be my interpretation that insurance premiums would refer to fire insurance, crop insurance, insurance on buildings, and any insurance premiums of that sort.

Now we have the parliamentary secretary saying that these levies or premiums from the stabilization bill are covered by that clause. I think that is a discrepancy and I should like someone from the other side, be it a cabinet minister or the parliamentary secretary, to respond before we move from this clause.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I should like to say a few words in support of this motion. Representing as I do a riding in Saskatchewan, the largest grain growing province in the country, I would hope that we would receive the co-operation of the government of Saskatchewan.

It has been said that the motion would include depreciation on farm machinery, interest charges, producer levies, etc. as a legitimate expense. Speaking for the government of Saskatchewan the minister of agriculture for that province said:

> The present bill does not give adequate recognition to the need for all inflationary factors to be taken into account. It is stated that it encompasses a principle which would be difficult to defend with other sectors of the economy. This statement is patently absurd. Every other sector of the Canadian economy which has any bargaining power has developed some form of defence against rising cost.

He recommended:

> The costs incorporated in the calculation of net cash flow do not include depreciation and interest costs. If a stabilization program is to be meaningful, the method of costing should reflect the true cost situation of producers. In order to reflect actual costs of production an allowance should be made for depreciation, interest, and labour costs.

These are the feelings of the minister of agriculture for Saskatchewan. I think they support motion No. 5

Mr. Gordon Towers (Red Deer): Mr. Speaker, I was quite interested in the dissertation of the hon. member for Assiniboia (Mr. Goodale). He said that some years ago agricultural producers or grain farmers were literally living on depreciation. I can tell you, Mr. Speaker, this Liberal government certainly looked after that with its capital gains tax. This is not happening at the present time because of the taxation policy.

He asked how we would arrive at an actuarially sound and equitable base for the figure on cost of production. I do not think you need to be a mathematician to figure that one out, with our present income tax system. It is easy to calculate the actual cost of production on the average grain farm today. All the government would have to do is consider all those parts of the expense that are deductible for tax purposes. That would be equitable and fair, but perhaps it is too simple.

The hon. member for Assiniboia said that depreciation was included in the cost of operations, but I do not see that mentioned anywhere in the bill. In that part of the legislation which refers to the cost of production, everything that is mentioned is something that is purchased. For instance, subclause (3)(b) on page 11 reads:

● (2140)

> items purchased by producers to operate and maintain farm machinery used for grain production or used in the farm business in respect of grain production and transportation;

Subparagraph (d) of subclause (3) reads:

> items purchased by producers to maintain farm buildings used for grain production, but not including items purchased to maintain a home;

Depreciation is not taken into account. It is grossly unfair not to include depreciation as a cost of production, especially as under our tag system we take into account capital gains. Clearly the drafters of this legislation are guilty of omission and gross error. It's a correction that should be given consideration.

We should also consider interest rates. The hon. member for Assiniboia suggested that capital costs for farm machinery are incurred in good years. I agree to some extent, although when the equipment breaks down through no fault of the operator, he must buy new equipment, no matter when it happens. At one time a new tractor would cost several hundred dollars more than the old one, but now, in this day and age of inflation, costs rise by thousands, not hundreds of dollars.

At one time you could buy a fair-sized tractor for $15,000; now it will cost you anywhere from $35,000 to $40,000 or $45,000. Few operators have that kind of cash floating around. This means they must borrow. Goodness only knows, anyone producing anything considers the cost of

money as sizable input cost. Inevitably the minister will need to consider the question of interest costs.

In addition, we must look at labour costs which rise each consecutive year. Anyone who wants to keep his operation efficient must consider labour costs. As time goes on, more and more producers must hire labour. Agricultural producers must compete with other segments of industry for labour. Therefore costs of labour must be taken into consideration in computing costs of production. I think the minister has overlooked this. Labour costs are increasing rapidly; therefore provision should be included in the bill, along lines suggested by us for protecting the producer.

If I may digress, let me refer hon. members to a discussion which took place in the Standing Committee on Finance, Trade and Economic Affairs the other day. We were discussing commodity groups and farm marketing boards, a subject of concern to many hon. members as is evident from questions they ask in the House. Hon. members want to know how the Anti-Inflation Board, to be established under Bill C-73, will affect farm marketing boards.

Members of the committee asked the Minister of Finance (Mr. Macdonald) how Bill C-73 would affect the operation of the Canadian Wheat Board. He answered by saying that the minister in charge of the Wheat Board had been involved in the establishment of policy but that, otherwise, he could not answer our questions. Unfortunately the minister in charge of the Wheat Board is not present. Hopefully on third reading he will answer certain questions concerning this bill. It is important legislation, as the Canadian Wheat Board is the largest marketing board in Canada, administering more money than any other board. It is important for us to know how Bill C-73 will affect marketing boards. That question must be answered.

We must also consider payments. What bearing will Bill C-73 have on the $500.00 to be paid in as a premium, deposit,—call it what you will—to the fund? How will payouts be affected by Bill C-73? These questions must be answered before we pass this legislation. I raise this matter because in committee, when we asked the minister if premiums and payments connected with crop insurance would have any effect on the stabilization bill, he said no; then, after being corrected by a member of the department, he made an about face and said yes. Therefore before the bill passes we must hear the answers on certain aspects of the bill which concern Canadian producers.

Many producers are indifferent to this legislation as they plan to retire in five or six years and will not become involved. Nevertheless, our concerns are legitimate and should be answered. On third reading I hope the minister will deal with these matters and, hopefully, answer questions which are of utmost concern to grain producers of western Canada.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I did not intend to participate in the debate on the amendment proposed by the hon. member for Regina-Lake Centre (Mr. Benjamin), but was prompted to speak by the arguments put forward by the hon. member for Assiniboia (Mr. Goodale), and the peculiar position taken by the Chair with regard to the point of order.

[Mr. Towers.]

Basically, the situation is that for several decades farmers engaged in the volatile grain growing business in the west wanted stability of price and income. This particular bill was supposed to be the Liberal government's answer in stabilizing their income, yet we hear this type of argument that there is no difference between five minus three equals two, and four minus two equals two.

● (2150)

My question to the government is very simple. We are going to support this amendment because we would like to see as many farmers as possible come into this type of legislation to try to stabilize incomes. We do not think this type of legislation will bring in many farmers, but because we know the need for the stabilization of income we would like to see as many farmers as possible come in, no matter how poor the legislation.

I would like to ask the government why it is trying to stop farmers from wanting to join this program? A farmer certainly considers the costs listed in motion No. 5, the question of interest, depreciation, and the other things listed, in addition to what is in clause 8, as legitimate costs. It is easy to get these costs because we have the most efficient collector of costs in the world in the income tax branch of the Department of National Revenue.

Therefore when I hear government members stand up and say we should not accept this amendment on the ground that it is only the difference between five minus three equals two and four minus two equals two, and what you add on here you take off there, and the type of argument made by one member of our party who said it was making it more complicated than the original bill, I cannot see what the government is trying to do. Is it trying to keep farmers out of this?

I do not know who is responsible for the point of order on acceptability raised by the Chair, but if any person read the legislation, even without understanding all the complicated computerized formulas you have to understand thoroughly, it would be obvious and clear that the government's contribution was set by statute in this bill and that the farmers' contribution was set by statute in this bill. There could not be any extra charge on the government, yet we have this point of order that was raised being supported by members of the government.

Here I am, as one member of this parliament, trying to get some form of legislation on the books that gives some chance for continuous stability of income for the farmer, yet I see the actions of the government and of the members of the government party in every way that they know, trying to discourage farmers from getting into this particular type of program.

If the minister had listened to the representations we made on second reading, namely, that the bill should not be put into the standing committee but taken to the farmers to get their view before we voted on the principle, we would not be in the mess we are in today. When the minister insisted with his usual rigidity and inflexibility that we first vote on the principle and then ask the farmers, we knew that he would not change.

As I shall be pointing out, as will others on third reading, farmers do not like this type of legislation and have said so. However, we are being forced to go through this routine

we are in now of trying to amend that legislation. We are supporting this motion by the NDP on the grounds that it will add to the weight of the arguments of the government when presenting this poor bill so that more farmers will join in the program. I cannot understand why the government is opposing it at this particular time.

In conclusion I wish to suggest to the House leader that, as far as the official opposition is concerned, we would be glad to have a vote on this right away so that we can get on with it. I do not know what is coming up for tomorrow. Does the House leader have any answer? What is the business for tomorrow?

Mr. Sharp: Mr. Speaker, there had been some hope and I think reasonable expectation that we would be able to advance this particular piece of legislation and to have votes tonight on three of these motions. That would have given an opportunity for the House to declare itself on some of the points that have been raised here today. However, that does not seem possible unless it is agreed that we have the votes right now. I am not quite sure whether the hon. member is inviting us to have the votes now.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I asked for clarification of the plans for tomorrow so that we would know what to do tonight.

Mr. Sharp: Mr. Speaker, this puts me in a rather awkward position. I had been given to understand that before we rose at ten o'clock tonight we would have been able to dispose of three of the motions upon which a vote is likely. That not having happened, it is not quite clear to me whether it would be reasonable for me to have those votes tomorrow. I doubt it very much. However, as far as the government side is concerned, we would be very happy to continue with this debate if we could dispose of this matter tomorrow. I have had some discussions with the other House leaders. So far I have not got agreement on that proposition. However, if the House leader of the Progressive Conservative party will say that we can tomorrow finish the report stage and third reading, we will be very happy to have this bill tomorrow.

Mr. Baker (Grenville-Carleton): Just to be completely clear, Mr. Speaker, there is no way that I can undertake with the government House leader that we can have third reading tomorrow with respect to this bill. He has asked for an undertaking or feeling with respect to it. I think I am bound to say that to him. The question has been put by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) asking for the business of the House tomorrow. I would like to know as well.

Mr. Sharp: Mr. Speaker, I will be very happy to call this particular business again tomorrow if we can get unanimous consent to continue with third reading tomorrow. That would be one thing. If we do not, we will call Bill C-20. Therefore we will first call a continuation of the debate on the report stage of Bill C-41, followed by Bill C-20.

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

Mr. Hamilton (Qu'Appelle-Moose Mountain): Ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CENTRAL MORTGAGE AND HOUSING CORPORATION—SUGGESTION CORPORATION NOT SELECT LAWYERS FOR MORTGAGORS—GOVERNMENT POSITION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my point in rising at this hour is to make the best attempt that I can to divorce an ancient and honourable provision of the law from a disgusting form of the political pork barrel.

● (2200)

I raised the question the other day with the Minister of State, that urbane gentleman for Urban Affairs (Mr. Danson), and his reply was indistinguishable from the replies given by ministers holding his position or reporting to the House for the Central Mortgage and Housing Corporation ever since CMHC was formed.

The point is simple, Mr. Speaker. If you wish, or anybody else wishes to go to CMHC to use its mortgage facilities to help buy a house, you will find that the lawyer is selected for you by CMHC or that your choice is limited to a list of lawyers presented to you by the corporation. I am not enveighing against all political patronage in the political field. I think lawyers are a large and necessary part of the forces by which any one of us is elected, and most of us realize that there is a political reality—that other things being equal you go to your friends, not to your foes. So if, for example, the Department of Fisheries needs a lawyer to prosecute a case, the present stripe of the government being Liberal I would expect that the stripe of the lawyer prosecuting for the department would be Liberal. I have no quarrel with that, because government is the client and the lawyer is the choice of that client. But I would object, and I think Canadians, if they knew the practice, should object to the government choosing our lawyers when we go to get a CMHC mortgage.

I called it a disgusting form of political patronage when I asked the minister that question and received a ho-hum answer from him, though reading his heart rather than the words he put on paper I got the impression he agrees 100 per cent with me that it is a most unenviable job he has, trying to defend the practice of government appointments, Liberal government appointments in this case, though a few years ago it was Conservative appointments; I know how these things work so I can tell Your Honour exactly what happens. I say it is morally wrong, that it should not be defended by anybody and that it should be changed.

I say again that if government appoints lawyers for its own purposes, that is one thing. But if it appoints CMHC-approved lawyers—and they will be Liberal lawyers throughout the length and breadth of Canada—and somebody goes in and says, "I have my own lawyer who does all my work for me," then CMHC will say, "No, you have to use one of these lawyers." This, to my mind, may hurt the lawyer the client proposes, because the client might perhaps say to himself, "My lawyer is not recognized somehow by the government." That is bad. It is demeaning to the profession and I do not know why the bar associations have not hollered more about it.

I do not know why more lawyers who are members of parliament are not screaming about this dirty, filthy practice. In any event I am bringing it out, and I intend to continue doing so. I will say this, in case we get some facetious, half-baked reply to the effect that the government has to be sure of the quality of the lawyers concerned—I know the lawyers chosen by the government are good ones. The people who draw up a political patronage list of lawyers make sure of that, as far as possible, because they do not wish to approve lawyers who are likely to get them into difficulties. I know they may be good lawyers, but they are not the lawyers of my choice when I go to CMHC. The private lending institutions now generally allow you to use your own lawyer.

In closing, I point out that there is a policy of insurance in most, if not all, provinces for members of the bar. If you are stuck with a bad lemon, as once in a while you will be, some protection is given either by the bar itself or its insurance. So there is no reason whatever why this ancient, very unhappy and dirty practice that has been carried on for many decades should exist any longer in this decade. I hope that the Parliamentary Secretary to the Minister of State for Urban Affairs (Mr. Gauthier) will have the guts and gumption to stand up, acknowledge it is wrong, and to say that "we are putting an end to it now, go to CMHC and take along your own lawyer to do your business with that Crown corporation".

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I have been going over material dating as far back as June 18, 1959, to try to find some solution to the problem raised by the hon. member for Halifax-East Hants (Mr. McCleave). I should like to quote from a letter signed by the executive secretary to the then minister of justice, Mr. Fulton:

> The policy of the Central Mortgage and Housing Corporation and indeed, of all government departments, is that no lawyer may act both for his client and the C.M.H.C. or the department at the same time. I am sure you will readily understand the reason for this rule when you consider the conflicts of interest that could arise.

The Minister of Justice (Mr. Basford), in accordance with the responsibilities imposed upon him by his position, recommends from time to time names of legal agents across Canada who are best able to perform legal work for the Government of Canada or certain of its agencies as may be required from time to time. The present practice with respect to Central Mortgage and Housing Corporation is that, with the approval of the Minister of Justice, the Minister of State for Urban Affairs (Mr. Danson) from time to time provides Central Mortgage and Housing Corporation with the names of legal agents who might be employed by Central Mortgage and Housing Corporation in various municipalities throughout Canada.

I appreciate the hon. member's point of view regarding choice of lawyer for both client and CMHC and I will bring it to the attention of my minister, who I am sure will be able to reply in much better terms than I.

AIR CANADA—LACK OF SUPPORT FOR FIVE EMPLOYEES CHARGED WITH CRIMINAL OFFENCE—BONDING OF EMPLOYEES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on November 24 I questioned the Minister of Transport (Mr. Lang) on Air Canada's refusal to give any moral or financial support to five of its employees in New York who faced charges of gold theft. The minister answered that once the employees had been found innocent of the charges they had been reinstated without loss of pay. From the minister's answer one can see that he had failed to understand the whole point of my question.

I would like to take this opportunity to clarify the background of my question on November 24. Five Air Canada employees in New York had been charged with gold theft. The five employees involved accused Air Canada of not raising a hand to help them but had suspended them until the outcome of the trial. The five employees incurred high legal expenses totalling $18,000 in trying to prove their innocence. It was only then that they were reinstated in their jobs, with their back pay. I would like to make one very important point here; they were not compensated for their legal expenses even though they were falsely accused.

A similar incident occurred in Ottawa last year. On April 18, 1974, two armed men, wearing Air Canada uniforms, forced their way into the Air Canada freight terminal at the Ottawa International airport and stole five gold bars with an estimated worth of $165,000. The Gloucester police who were investigating the robbery had warned Air Canada officials several times that security was lax and invited robberies. It was Air Canada's procedure that any time that valuable cargo came in on a plane, it was taken by baggage carts to the freight terminal where it was kept in a wire cage, protected only by an ordinary padlock. After closing time at 11 p.m. only one security guard was left at the building.

In reference to the gold theft of April 18, 1974, Air Canada had said that it was correct to assume that the parties responsible for the robbery were familiar with Air Canada practices. To date this case still has not been solved, and Air Canada employees are still vulnerable to arrest in connection with this theft.

● (2210)

My contention is that if Air Canada employees are expected to guard such valuables, the airline should make it its responsibility to protect its employees from similar occurrences. Security measures should be stepped up in order to minimize the chances of such a situation repeating itself.

Not only had these employees been laid off indefinitely but, as their legal fees soared, their savings diminished. To

make matters worse their chances of finding part-time jobs to try to make ends meet were minimal. As one employee said in an interview in the Toronto *Sun*, "I couldn't even get a job to work part-time at a service station because I was facing charges—I had to borrow to live". Another contributing factor to the employee's dilemma is that the judicial system is a slow moving machine. If any appeals are to be made the process can drag on for months, with legal fees soaring and the employee not receiving any kind of moral or financial support from his employer, Air Canada.

I am not recounting a few isolated incidents. During question period I have repeatedly brought up the problems of morale in the finance department of Air Canada in Winnipeg. Last April, Air Canada employees went on strike at the Charles de Gaulle Airport in Paris. What we have here is a breakdown of employer-employee communication.

I think it is time that the Minister of Transport (Mr. Lang) should recognize the seriousness of this problem and try to rectify the matter. I would suggest that the minister sit down with Air Canada and union officials and discuss the immediate improvement of security at all Air Canada terminals in the world. Such a move would take away some of the onus placed on Air Canada's employees when dealing with the shipment and storage of valuables. I would suggest that some sort of insurance or bonding be made available to those employees who may find themselves in the same situation as those charged with gold theft in New York. It would be to the benefit of Air Canada management to make it possible for its employees to air their views and subsequently make Air Canada a more receptive employer.

There have also been a number of robberies. On January 27, 1975, it is reported that gold and silver bars worth more than $88,000 were stolen from mailbags at Toronto International Airport. The report also stated that police said post office investigators told them on the previous Friday that $15,877 worth of gold and silver bars were stolen from the mail January 14. The report further stated that police said investigations also revealed that some time since November 14, 1974, a $72,130 gold bar weighing 399 ounces was stolen from the mail. So, Mr. Speaker, you can see that these gold thefts at Air Canada terminals represent a very serious problem. I suggest the minister should launch an immediate investigation into the whole procedure in respect of security of such valuables at airports.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, following the questions put to the minister in the House by the hon. member on November 24 the Ministry of Transport has made an inquiry of Air Canada to determine the circumstances surrounding the particular situation to which the hon. member has referred at Kennedy International Airport in New York. We have received the assurance from Air Canada that the security arrangement at the Kennedy International Airport, and indeed at all other airports, continues to be entirely satisfactory and that Air Canada has no apparent reason to make alterations to a system which is and has been working effectively.

I must say that the comment raised by my hon. friend in respect of a theft at the Ottawa airport a year or so ago, or at least in 1974, is a particular situation I should like to check into further. However, the item of concern this evening especially relates to the situation at Kennedy International Airport.

With respect to the employees who were recently acquitted of a charge of theft on the ramp at Kennedy International airport, they were all reinstated to their former positions and paid in full for the time during which they were under suspension while awaiting a hearing of their case. As the hon. member will understand, these employees were charged under normal legal procedures by the New York port authority police. They obtained legal council, and in due course were acquitted. In no way can Air Canada be held responsible for payment of their legal fees. This was, and is, in all ordinary practice a private concern of each individual employee.

On the final point raised by the hon. member in his supplementary question to the minister on the same day, November 24, with respect to the matter of bonding, Air Canada is satisfied that all its employees are properly bonded under a blanket fidelity bond which insures Air Canada against the dishonest or fraudulent act of any employee acting alone or in collusion with others.

GOVERNMENT ORGANIZATION—SUGGESTED STUDY OF STRUCTURE AND EXPENDITURES TO PROMOTE EFFICIENCY AND REDUCE EXPENDITURES

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, on October 31 I asked the Minister of Finance (Mr. Macdonald) to consider a Glassco Commission type study of government organization, and he responded that he thought it was a constructive suggestion which he would take up with his colleagues, so tonight I have a few suggestions in support of my proposition for the consideration of the minister.

Any administrative organization needs to be examined periodically to see how it is working compared with how it is intended to work; to test the suitability of the organization adapted to changed circumstances because any organization, instead of adapting in time, tends to lag behind changing needs; and to force those involved to examine their role and test their suitability, and be self-conscious about how it really works.

In the case of the federal government it is now 15 years since the right hon. member for Prince Albert (Mr. Diefenbaker) set up the Royal Commission on Government Organization, which was called the Glassco Commission, and 13 years since that commission made its first major report. That means, I think it is safe to say, that we are probably three to five years overdue in having another look at the whole system and how it is working. Also in that time the size and the complexity of the federal public service have both multiplied, and a tremendous amount of delegated authority has been given to public servants and extended in variety and scope.

We know that at this time there is much evidence that the government proceeds like a whole series of separate empires. These empires often compete with each other. Sometimes they even conflict with each other.

These are all reasons why it is timely to consider a new look through a new appropriately guided royal commis-

sion. What are some of the things at which we could look? I suggest the following: first, we could look at the cost of particular operations in relation to the cost of similar functions in the private sector.

Second, we could look at new approaches to accountability. The Glassco Commission tried to establish some in both the financial and personnel management fields, but the ways in which these have been adopted certainly are not working perfectly, and the demands are greater today.

Third, we should look at some important aspects of personnel function. There is a good deal of evidence that labour relations in the public service are bad.

Fourth, we need to identify obsolete and outdated functions. Unless we look at something like the government every so often, things go on for ever even if the need for them disappears.

Fifth, we need to identify functions which could be done as well or better in the private sector. The Glassco Commission tried to identify some of these, but not very much action resulted. It is worth another try.

Sixth, we need to look at the whole organization from the standpoint of the function it is supposed to perform and its performance in fact.

With so much change in growth in the public service, and so much change in the role of government and the character of the world around the government—the external environment—there are bound to be inadequacies and things which deserve another look so that we can feel our taxes are well spent.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member who just spoke did make his suggestion on October 31 of this year to the Minister of Finance (Mr. Macdonald). The minister at that time indicated that the suggestion was a constructive one which he would investigate and discuss with his colleagues.

● (2220)

At the present time extensive reviews are being undertaken by the President of the Treasury Board (Mr. Chrétien) of all aspects of government operations with the objective of eliminating expenses which can be eliminated or reduced. The utmost economy is being exercised, and no doubt hon. members in this House will hear a good deal more of the consequences of that review.

The Auditor General, Mr. J. J. Macdonnell, with the full co-operation of the government, has undertaken several studies, including the report of the Independent Review Committee on the Office of the Auditor General of Canada, which was tabled in the House on April 14 of this year. In addition, the Auditor General has undertaken an extensive study in the general area of financial management and control. The government will take this opportunity to make these necessary changes in its over-all structure so as to rectify any weakness in the system which these studies may reveal.

The nature and scope of the study undertaken by the so-called Glassco commission was much broader and more extensive, and covered a substantial period of time. The government is continuing to take these matters under investigation and will undertake measures to lead to short term economies. It is reviewing the entire operation of the Auditor General, and at the end of this the government will take stock and note what further measures are required.

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

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Friday, November 28, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

OLYMPIC GAMES

PROPOSED FEDERAL CONTROL OF FUNDS GENERATED BY FEDERAL LEGISLATION—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity arising from the suspicion of fraud and other irregularities in the letting of Olympic contracts, resulting in police raids on the builders of the Olympic Village, and continuing exorbitant and irregular expenditures by Montreal and COJO of funds generated by federally backed legislation. I move, for the sake of the helpless taxpayer, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House instruct the President of the Treasury Board to oversee and control any and all Olympic expenditures relating to funds generated as a result of federal legislation as well as direct and indirect federal financial commitments, and report back to parliament.

Mr. Speaker: Order, please. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

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ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR ASSURANCE PRACTICE OF APPOINTING COMMISSIONER FROM THE RANKS WILL BE MAINTAINED—MOTION UNDER S.O. 43

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, pursuant to Standing Order 43, I wish to propose a motion on a matter of urgent and pressing necessity. Since our outstanding national police force faces complex and demanding tasks at a time when the influence of activities of government is permeating every aspect of our lives, since the commissioner and all other officers of the RCMP are appointed by the government and since criminal investigations by the RCMP, now touching certain political and physical perimeters, must remain unstained by suspicions of political partisanship, with consent, I would move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the right hon. Prime Minister assure the House that the practice of appointing the commissioner from among members of the force who have risen through the ranks will continue.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, such motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR REPORT ON LEAK TO PRESS CONCERNING INTERVIEW WITH MR. MARCHAND

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. Pursuing my natural racist tendencies—

Some hon. Members: Oh, oh!

Mr. Stanfield: —I ask the right hon. gentleman whether he is now satisfied that the RCM Police, or an officer of the RCM Police, did not leak in advance the fact that the police would be seeking the assistance of the Minister without Portfolio in an interview yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I met with the commissioner yesterday and he was very distressed at the situation, as I had been. We both agreed that we would try to find out if there was any possibility that the leak had come from the RCMP itself. He was confident that the answer would be no. I must confess that that is my information also. However, I think it is something sufficiently serious to look into. As to the hon. member's racism remark, I do not know why he found it necessary to preface his question with that.

● (1110)

Some hon. Members: Oh, oh!

Mr. Stanfield: If the Prime Minister wants to known why I prefaced my remark, he might ask the Minister of National Health and Welfare, not to mention the President of the Treasury Board.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Minister of National Health and Welfare, as I understood him, said something was below me. I heard him on television last night and I thought it was well below him.

Some hon. Members: Hear, hear!

Oral Questions

PERMISSION OF PRIME MINISTER FOR MR. MARCHAND TO SPEAK TO FORCE

Hon. Robert L. Stanfield (Leader of the Opposition): I assume this to be the case, but I would like to make certain. Following the interview with the Commissioner of the Royal Canadian Mounted Police yesterday, does the Minister without Portfolio now have the Prime Minister's permission to meet with representatives of the police and to co-operate with them if he wishes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, nobody in this country needs my permission to answer to the police.

Some hon. Members: Hear, hear!

REASON FOR FAILURE OF SOLICITOR GENERAL TO ATTEND MEETING BETWEEN PRIME MINISTER AND COMMISSIONER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have one final question. I understand that the Solicitor General, through whom the Royal Canadian Mounted Police report to parliament, was not present yesterday at the meeting which the Prime Minister and the Minister without Portfolio had with the Commissioner of the RCMP. Was there any reason for this? In view of the sort of comment being made these days by the Minister of National Health and Welfare, I hope this does not show any racist tendency on the part of the Prime Minister.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is a pretty cheap shot, I must say. I do not know what kind of a fishing expedition the Leader of the Opposition is on, but I would tell him that he is very sadly misinformed.

REQUEST FOR LIST OF MEMBERS FORCE SEEKS TO INTERVIEW

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is to the Prime Minister. It arises out of answers given by the Solicitor General in the House yesterday, particularly his statement that the RCMP planned to seek meetings with ministers and members on both sides of the House. Can the Prime Minister tell us if he has received from the RCMP a list of the specific members they intend to interview and the basis for seeking an interview with each of them and can he explain to us, in particular, the basis for the interest of the RCMP in talking to members on this side of the House?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I have no such knowledge nor have I seen such a list, but I can predict that if they ever ask a question over there, the attitude of the opposition will change dramatically from what it was yesterday.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Has the Prime Minister not read the record of the proceedings of the House of Commons about this whole unfortunate business? Is he now saying that the opposition is being irresponsible for raising matters which have since come to light?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

NATIONAL DEFENCE

CONTRACT TO LOCKHEED FOR LONG-RANGE PATROL AIRCRAFT—OTHER OPTIONS OPEN TO GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister arising from the $950 purchase which the Department of National Defence is making from the Lockheed Aircraft Corporation for the replacement of the Argus. In view of the fact that there have been reports that other companies such as Boeing Aircraft, and the Douglas Corporation have placed before the government various package deals which would result in a larger percentage of the money spent going to Canadian aircraft companies, I want to ask the Prime Minister what options were open to the government when they made the decision to grant the contract to Lockheed Corporation.

Right Hon. P. E. Trudeau (Prime Minister): As far as details are concerned I would urge the hon. member to address his question to the Minister of Industry, Trade and Commerce when my colleague is here because it was principally his department which had the responsibility of studying the various options from the point of view of the industrial fall-outs for Canada, the offsets, the value of them, and so on. I am sure that within the bounds of whatever secrecy is involved in the bids by the companies, the minister would be more helpful than I. But I can correct the impression the hon. member has when he says that the offsets from one corporation would be considerably higher than from the other. I think that was the intimation in what he said. Both the main options put to us were extremely interesting; that is why it took a great deal of study to make a choice between them. The decisive factor was the figure of several hundred million dollars which it would have cost us more for the Boeing option than for the Lockheed option, and in times of reasonable restraint when we are trying to prevent our budget from going up, this was the decisive factor in our decision.

REQUEST FOR TABLING OF AGREEMENT WITH LOCKHEED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Dary Childs, the Regional Director of Export Sales for Lockheed, is quoted as saying that of the $950 million contract some $686 million will be spent in Canada, whereas the Minister of National Defence said yesterday that $283 million was committed in the agreement and that $285 million was to be a best effort, but there was no guarantee. This is nearly $120 million less than is being stated by the Lockheed Corporation. I want to ask the Prime Minister this question: in view of the disparity in the figures, will he undertake to see that the agreement between the

Department of National Defence and Lockheed Aircraft Corporation is tabled in the House?

Right Hon. P. E. Trudeau (Prime Minister): I will not give such an undertaking. I said earlier that the minister would, within the normal security provisions of commercial corporations, be as helpful as he can. I do not know what the figures are. I know cabinet had these documents and spent a good deal of time on them. I know there are guaranteed offsets and that others are to be best efforts. There may be another category the minister might wish to talk to the House about.

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INDUSTRY

CANADAIR—DATE OF DECISION ON OPTION TO PURCHASE—POSSIBLE PARTICIPATION IN LOCKHEED CONTRACT FOR LONG-RANGE PATROL AIRCRAFT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I see the genial Minister of Industry, Trade and Commerce has just entered the chamber. May I ask him whether the government has yet made a decision with respect to exercising its option to purchase Canadair and whether Canadair will get any part of the $950 million contract which was let to Lockheed Aircraft Corporation by the Department of National Defence?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): The answer to the second part of the question is yes. There is a substantial amount of work for Canadair as well as for other Canadian sub-contractors. I am a few minutes late because I was hoping to put the final touches on the other aspect of the hon. member's question, namely that concerning the acquisition of Canadair. I find it will not be possible for me to do so in time to make an announcement today but perhaps I shall not be exceeding the restraints under which I am placed at the moment if I say to him that I think the answer I shall be able to give to him will be satisfactory to the hon. member with regard to Canadair.

Some hon. Members: Hear, hear!

* * *

● (1120)

NATIONAL DEFENCE

SUGGESTED LEASING OF LEOPARD TANKS FROM WEST GERMANY—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): A supplementary question to the Prime Minister, Mr. Speaker. In the interests of providing the best battle tank at the lowest cost to the Canadian taxpayer, would the government give consideration to leasing the tanks that our forces in Europe need from the West German government, the Leopard tank, which is by far the best battle tank available to us, particularly since at the present time there are quite a number of Leopard tanks in western Canada which can be used without any further delay for training Canadian troops in the use of these very excellent tanks.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is quite right. As he saw from the statement of the minister yesterday, leasing is one option, as well as the retrofitting of the present Centurion. But he is quite right in suggesting there is this advantage of training possibilities, since some of those tanks are in Canada, and this will be very much a part of our decision. I repeat that we will be guided by considerations of economy such as this, as well as considerations of a purely military and strategic nature.

* * *

INDUSTRY

LOCKHEED CONTRACT FOR LONG-RANGE PATROL AIRCRAFT—EFFECT ON COMPANIES DOING MAINTENANCE ON PRESENT AIRCRAFT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a supplementary question for the genial minister who has just arrived. Now that the basic contract has been awarded, my question has to do with the protection of allied industries, such as IMP in Dartmouth and its predecessor Fairey Aviation, which have for a number of years been responsible for maintenance and certain basic aspects of the overhaul of the existing LRPA. What built-in protections for firms such as IMP have been considered in the awarding of the contract to Lockheed?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am very familiar with the plant in question. I believe that there is some subcontract work related to the LRPA for IMP and for some other maritime companies as well. The larger question, of course, will be what will happen at the repair and overhaul stage after the phase out of one type of aircraft and the introduction of another. That is a bit down the road, but I have already given assurances to the Secretary of State for External Affairs, who has an interest in this matter, that we will look into it in terms of seeing what kind of protection can be offered once the repair and overhaul operation switch is made as the result of getting the new aircraft.

* * *

NATIONAL DEFENCE

EFFECT OF ACQUISITION OF NEW TANK ON ROLE OF NATO FORCES—CONTINUANCE OF STATION AT LAHR

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a supplementary question for the Prime Minister. Will the acquisition of a new tank imply a change of role for Canadian forces in Europe, which are now in the central region reserve role, and will the forces continue to be stationed at Lahr?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, there will not be a change of role since the present forces are using Centurion tanks. The reason that this decision had to be taken was that they are coming to the end of their normal life span unless they are retrofitted at considerable expense. There is no intention of changing

the role; it will be pursued but with better equipment. As far as the station at Lahr is concerned, there is no implication in what was stated yesterday by the minister that we will in any way move from Lahr.

* * *

EXTERNAL AFFAIRS

POLAND—REQUEST FOR REPORT ON CASES INVOLVING REUNIFICATION OF FAMILIES

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. Acknowledging with thanks his efforts to arrange a meeting with the ambassador of Poland last Wednesday, may I ask the minister whether during this meeting he raised the matter of the list of 20 cases concerning reunification of families which I gave him before his trip to Poland in September, and in particular the case of Mrs. Psarska?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker, I did refer to the list of family reunification cases which had been presented by the ambassador in Warsaw last Friday. That list was compiled as a result of, and after consideration of, the list which the hon. member had presented to me prior to my visit to Poland. I want to tell the hon. member that during that visit I raised the question of family reunification, including his list and Mrs. Psarska. That is a continuing process that is now being followed up by our ambassador. I followed that up last Wednesday. Quite specifically, I discussed in detail the case of Mrs. Psarska.

RUSSIA—POSSIBILITY OF INTERVENTION TO OBTAIN PERMISSION FOR MR. SAKHAROV TO RECEIVE NOBEL PRIZE IN OSLO

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my supplementary is directed to the Prime Minister. In view of the Helsinki Accord in which European communist countries promised to allow freer travel for their citizens is the Prime Minister going to intervene, along with other world leaders, with Secretary Brezhnev to allow Andrei Sakharov, the Soviet physicist, to travel to Oslo to receive his Nobel Peace Prize.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not considered making such an intervention.

RUMANIA—REQUEST FOR ASSISTANCE IN HAVING FAMILIES REUNITED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my supplementary is for the Secretary of State for External Affairs. At the present time in front of these parliament buildings there are three former Rumanian citizens, David Pompiliu, Julian Hertescu and Dimitri Moldovan. I apologize to my friend the hon. member for Edmonton Centre for my pronunciation of these names. They are pleading in front of these buildings for help. Mr. Pompiliu states that in 1973 he wrote to—

Mr. Speaker: Order, please.

[Mr. Trudeau.]

Mr. Crouse: They are pleading for assistance in bringing their families to Canada. My question to the Secretary of State for External Affairs is, will he contact the Rumanian Embassy and ask them to uphold the universal declaration on human rights which states that every family has the right to live together in the country of their choice, and will he make a plea on behalf of these three citizens.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I am not familiar with these particular cases.

An hon. Member: You can see them outside the door.

Mr. MacEachen: I am still not familiar with these cases. I will undertake to look at them and follow up in the way we customarily do in an effort to secure the reunification of families. That has been one of the major undertakings of the Government of Canada in the long meetings prior to the Helsinki Conference which resulted in the inclusion in that document of the text which makes it now possible to ask the signatories to that text to deliver on their commitment at the conference to accelerate the human contacts and reunification of families.

HELSINKI AGREEMENT—INQUIRY AS TO REVIEW PROCEDURE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, these cases bring up the whole matter of the review procedure. I would like to know what steps are being taken within the minister's department to have an on-going review of cases that are clearly in breach of the Helsinki Agreement, including the failure of the Soviet Union to allow the distinguished scientist Sakharov to go to Oslo. What review procedure is in place so that when Helsinki is tested we will not find that it is really only a piece of paper.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I hope that when the review process is undertaken in Yugoslavia it will not become a piece of paper. In the interim, progress will have to be made which up to the present has not been marked. I agree with my hon. friend to that extent. In so far as Canada is concerned, we have established within the Department of External Affairs, first of all a procedure to ensure that Canada is fully living up to the principles which it accepted at Helsinki. Of course, we intend to review all of these cases so that at the appropriate time we will be able to confront the other signatories with performance or lack of performance on these points.

* * *

● (1130)

[*Translation*]

NATIONAL CAPITAL COMMISSION

ALLEGED RETENTION OF FUNDS FOR OUTAOUAIS HIGHWAYS PENDING INSTALLATION OF SEWER SYSTEM

Mr. T. Lefebvre (Pontiac): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs

responsible for the National Capital Commission, or to his spokesman.

Is the minister aware of the announcement made yesterday by the National Capital Commission that the funds for highway network in the Outaouais area will be frozen, if the Ottawa Regional Board does not build a sewer system? If so, do the minutes agree with that policy which will prevent western Quebec residents from enjoying a modern and adequate road network?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I understand the interest of the hon. member and I appreciate the fact that he draws it to the attention of the House. I will make my minister aware of the problem as soon as possible so that he may give a definite answer to the hon. member.

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AGRICULTURE

INDUSTRIAL MILK—REDUCTION IN SUBSIDY—INQUIRY IF LEVY MADE ON TOTAL PRODUCTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Since the producers of industrial milk have not yet received the subsidy on 75 per cent of their September production, could the minister tell the House whether the deductions for export expenditures have been made on the entire production for that month?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, my answer to the hon. gentleman is that we are only living within the agreement which we have. We said we had enough money for a hundred million hundredweight of milk. Producers are being paid for much more milk than they were supposed to deliver, they were above the quota. We do not have that much money to pay for the whole amount. If they want to produce it and take less money for it, that is up to them.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

May I ask the minister if this means that the subsidy for the month of October will be paid at a lower percentage than that for the month of September?

Mr. Whelan: What did he say?

Mr. Lambert (Bellechasse): I apologize to the minister. He probably did not think I had a supplementary question. I therefore repeat it.

In terms of the answer he has just given, does it mean that, for the month of October, the percentage of the subsidy will apply to fewer pounds than for the month of September?

[*English*]

Mr. Whelan: It means that we have enough money to pay for a hundred million hundredweight of milk and not 10 per cent or 20 per cent more than that. The money has to be distributed in that way. If farmers cut back their quota, they can still get paid for 95 per cent of their production by the end of the dairy year, at the end of March, 1976.

REASON FOR CUT BACK IN SUBSIDY ON CREAM PRODUCTION

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is to the Minister of Agriculture. In the cut back which the minister announced will take place in the September cheques for the subsidy to the dairy producers, why did we find it necessary to cut back also on the subsidy paid on 75 per cent of the production of cream producers? The cream producers are not responsible for any surpluses in the country. Butter is produced from cream and butter is not in a surplus position.

Hon. E. F. Whelan (Minister of Agriculture): They are all under the market quota system.

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TRADE

DATE OF DECISION ON ALLOWANCE OF INCREASE IN DAIRY PRODUCTS IMPORTS

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have another supplementary question for the Minister of Industry, Trade and Commerce. A few days ago the minister said that he was going to assess the decision of the government to allow increased imports of dairy products into Canada in view of the large production of dairy products in this country. Has he reassessed that yet, and what is the decision? It is a very important matter.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I agree it is very important, and that is why it is taking quite a bit of time to do a thorough assessment. Work is underway, but I am not in a position at the moment to say when I can inform the public on the question.

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POST OFFICE

STRIKE OF INSIDE WORKERS—ASSESSMENT OF DAMAGE INFLICTED BY STRIKE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, as we enter the 40th day of the postal shutdown, I should like to direct a question to the right hon. Prime Minister. In view of the hundreds of reports of hardship and economic damage received in response to a country wide appeal by this party, is the government able to report that it has made any attempts to assess the real damage inflicted on Canadians by the post office shutdown and, if so, would this information be made available?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no way in which an exact assessment could be made. I think the government is keeping very well informed on what is happening, but I would guess it is impossible to make an exact assessment. Even if it were,

the cost of it would be prohibitive. I think the hon. member should realize what the attitude of the government is, that it is not going to make any further offers and it is hoping the strike will be settled on the basis of the generous offer that has already been made by the Postmaster General.

STRIKE OF INSIDE WORKERS—ABILITY OF GOVERNMENT TO RESUME NEGOTIATIONS

Mr. Bill Clarke (Vancouver Quadra): In view of the absence for five days of the Postmaster General and in view of union executive meetings now taking place, is the government willing and able to resume negotiations immediately if requested by the union?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, the Postmaster General has been present in the House two of the last three days. He is available at any time and is on call.

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MULTICULTURALISM

EFFECT OF ALLEGED CHANGE IN POLICY—DISCUSSION WITH CONSULTATIVE COUNCIL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Labour. Are the reports on Wednesday that he is considering a very sharp change in the government's program of support for multiculturalism true, and will the new programs mean a downgrading of the grants which have been given to the ethnic communities which they already consider to be too little too late, and does it include a rejection of federal support for the teaching of languages other than English or French?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am glad that the hon. member has asked that question because it affords me the opportunity to clarify the situation. No, it is not a downgrading of the concept of multiculturalism, nor is it a downgrading of the grants to various ethno-cultural groups in Canada. What it is, what we are thinking about and what I have discussed with various ethno-cultural groups, including the Ukrainian community in Montreal, is whether it would not be worth considering shifting the emphasis in terms of combatting discrimination and breaking down some barriers which some of the minority groups and ethno-cultural groups are experiencing without withdrawing assistance to all ethno-cultural groups. The reaction I have been receiving has been positive, and it was in that context that I have been discussing this change of emphasis. I think, as the previous minister of multiculturalism will attest, it has always been an element of the multicultural policy to promote understanding and combat discrimination.

Mr. Orlikow: Due to the fact that the combatting of discrimination has been traditionally part of the work done by other departments of the federal government, such as the Department of the Secretary of State, the Department of Labour and the provincial governments, and in view of fact that the minister's change in policy or change in emphasis does not seem to have been discussed at least with the chairman of the Canadian Consultative Council on Multiculturalism, Mr. Koteles, who expressed shock when he heard of the minister's changed policy, can the minister explain whether his new approach has been discussed with the organization which the government itself set up to advise it on the kind of work which the government should be supporting?

Mr. Munro (Hamilton East): I would advise the hon. member that I have been attending various meetings of the Canadian Consultative Council on Multiculturalism and regional meetings. We have been discussing the various elements of the whole policy in terms of a review that I wanted to take forward to the government fairly soon. These discussions have been public in nature; there is no question about that. In terms of asking questions with respect to the direction of policy, I have already mentioned to you that I have done it with various groups. It seemed to have been well received by various groups. I cannot accept responsibility for Mr. Koteles, he will have to accept that on his own responsibility.

As far as teaching of third languages or, if you like, retention of languages, that has always been an element of the policy. We will continue to offer grants in that connection on the assumption and hope that it will be an instrument in itself to combat discrimination and to attain any understanding between ethno-cultural groups as well as to assist all Canadians in appreciating the contribution these cultural groups make to Canada.

* * *

● (1140)

EXTERNAL AFFAIRS

ANGOLA—POSSIBILITY OF PROTEST OF RUSSIAN INTERFERENCE IN CIVIL STRIFE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is for the Secretary of State for External Affairs and concerns that section of the Helsinki accord which was referred to earlier today, in particular section VIII which reads as follows:

> ... all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference,—

I bring to his attention the situation dangerous to world peace in Angola in which the U.S.S.R. flagrantly is breaking this section of the accord, either directly or indirectly, by puppets operating under its tutelage. Has the Canadian government protested to the government of the U.S.S.R. that this is wrong or does it intend to bring it before the United Nations? There is nothing more dangerous to world peace than what is occurring at the present time over there.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I can tell the right hon. gentleman that this matter was brought to the attention of the United Nations by the Canadian representative in his statement in which the attitude of the Canadian government was expressed in total opposition to outside interference, and armed forces from outside participation in events in Angola. We have not made the direct approach of protest

to the Soviet government at this point but we have made our position quite clear at the United Nations where all countries know where we stand.

Mr. Diefenbaker: Mr. Speaker, a supplementary question. I realize it may have been done but it was not very effective the first time. I suggest again that action be taken and in particular that the ambassador of the U.S.S.R. in Ottawa be made aware of the strong feelings of Canadians as a whole who begin to believe, as Senator Forsey stated yesterday in the other place, that the Helsinki accord was a succession of amiable platitudes.

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[*Translation*]

LABOUR CONDITIONS

STRIKE OF PULP AND PAPER WORKERS—REACTION TO MEETING WITH MINISTER

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I wish to direct a question to the Minister of Labour.

With reference to the question I directed to him on Wednesday, November 19, and following the interventions of a number of my colleagues from this side of the House concerning the dispute in the pulp and paper industry, the many meetings we have had with the minister and above all the urgent appeal he has made to the industry to return to the bargaining table, could the minister advise the House whether he has received a positive response from the companies?

[*English*]

Hon. John C. Munro (Minister of Labour): Not yet, Mr. Speaker. I would advise the hon. member, however, that I was talking to two particular labour ministers, those from Ontario and Quebec. I am advised certainly by the minister from Ontario that she has called the presidents of the companies together in Toronto and urged them to try to resolve this dispute as quickly as possible. I have publicly urged them to get back to the bargaining table in an effort to resolve this particular dispute. I am hopeful they will do so in the very near future. That is as far as I can go.

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FOREIGN INVESTMENT

ATTEMPTED TAKEOVER OF WESTINGHOUSE—REQUEST FOR REPORT ON SITUATION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. Yesterday he indicated to my colleague the hon. member for Halton-Wentworth that he might be able to make a statement with respect to the problems with Westinghouse Canada in the House today. In light of the fact that some 200 jobs are on the line in Orangeville as well as 2,000 in Hamilton, I wonder whether the minister could make a statement on this today.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, at ten o'clock this morning I met with representatives from the unions. I believe most of them, if not all, were from Hamilton but I am not aware if any were from the smaller operation. The Minister of Labour was with me at that meeting. I advised the representatives of the union that we were primarily concerned now with assuring the stability of the jobs in question and that we would make every effort within our power and jurisdiction to see what could be done along those lines. I also indicated that I had certain ideas which were being conveyed to the negotiating companies concerned. I hope over the next couple of weeks that these overtures which I was making would indicate whether there was ground for a negotiated end to the current situation. If there is not, at the end of the two weeks' period we would then obviously have to reassess the situation. I continue to be hopeful, however, that within the next two weeks if not before, a solution will have been found through the negotiating route.

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STATISTICS CANADA

REQUEST FOR EXPLANATION OF ATTENDANCE OF FIVE OFFICIALS AT CONFERENCE IN BARBADOS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Sources within Statistics Canada have indicated that five senior officials of the department left last week for a government paid trip to a conference in the Barbados. Will the minister explain the purpose of the trip by these senior officials?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): I will have to make inquiries, Mr. Speaker. I will go down and check on them if the hon. member wishes.

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FINANCE

EFFECT OF OLYMPIC DEBT ON INTERNAL AND EXTERNAL DEBT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in view of the projected deficit of upwards of $1 billion to finance the Olympics, has the minister had any discussion with the governments concerned as to what the deficit might be and how it might be covered and what effect this might have on our internal and external debt position?

Hon. Donald S. Macdonald (Minister of Finance): No, sir.

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FEDERAL-PROVINCIAL RELATIONS

EFFECT OF QUEBEC'S OLYMPIC DEBT ON TRANSFER PAYMENTS

Mr. Otto Jelinek (High Park-Humber Valley): A supplementary question for the President of the Treasury

Board, Mr. Speaker. Earlier this week the minister indicated that he would check whether additional expense incurred by the province of Quebec as a result of assuming Olympic financing responsibilities will be considered when transfer payments from other provinces are considered. Could the minister advise the House of the government's position in this regard?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, transfer payments are based on the income level of a province, not on its expense level.

* * *

[*English*]

OLYMPIC GAMES

EXTENT TO WHICH GOVERNMENT WILL HELP QUEBEC FINANCE GAMES

Mr. Otto Jelinek (High Park-Humber Valley): One supplementary to the right hon. Prime Minister, Mr. Speaker. Some time ago the Prime Minister stated in this House that there would be no special assistance, no special financial aid, from the federal government to Montreal or to COJO for the holding of the Olympics. Since then, of course, he has somewhat altered his position in this regard. I should therefore like to ask the Prime Minister, since we cannot take his original statement as ongoing government policy just how far is his government prepared to go and in what roundabout way is it planning to bail out the province of Quebec as it inevitably will?

[*Translation*]

FEDERAL PARTICIPATION IN FINANCING OF GAMES—GOVERNMENT POSITION

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I should like to put a question to the President of the Treasury Board.

As the Quebec Minister of Finance, Mr. Garneau, replying to a question about the financial contribution of the federal government to the Olympic Games, said that it amounted to $100 million, at which point another member of the National Assembly called the minister a liar, can the President of the Treasury Board clarify the situation and tell the House to how much the direct financial contribution of the federal government amounts?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the federal responsibilities towards the Olympic games with regard to security, radio-broadcasting of the games and various related activities, will cost the federal government in the vicinity of $130 million. In addition, the federal government, thanks to the co-operation of all hon. members, was able to allow the setting up of self-financing programs such as the lottery, and the olympic coins and stamps. Such is the federal participation to the games to this day. As usual, the hon. member concerned, Mr. Charron, proved his great ignorance.

[Mr. Jelinek.]

• (1150)

[*English*]

EXTERNAL AFFAIRS

CHILE—SUPPRESSION OF COMMITTEE FOR PEACE OF INTERCHURCH COUNCIL—REQUEST THAT GOVERNMENT PROTEST ACTION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. I understand that representations have been made to the minister, or his department, by the Interchurch Council for Chile, asking the government to protest to the government of Chile the suppression of the Committee for Peace, which was created by Roman Catholics, Protestants and orthodox Jews to provide legal aid and moral support for political prisoners, their families and the families of those who have disappeared. Will the minister give favourable consideration to this request?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have not, to my knowledge, received those representations from the church leaders. If and when they arrive I shall certainly give consideration to what useful steps Canada can take to help the situation in Chile. At present, as my hon. friend knows, the leader of that particular committee, Cardinal de Silva, is in Rome, but will return to Chile to resume discussing with government leaders the question of the dissolution of that particular committee.

[*Translation*]

RAMBOUILLET CONFERENCE—NATURE OF AGREEMENTS AND CANADIAN PARTICIPATION IN GATT CONFERENCE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Has the government inquired officially on the results of the summit in Rambouillet and would the minister tell the House, first, when and how he will express his views on each point on which an agreement was reached and, second, whether this meeting produced guidelines which will influence the Conférence Nord-Sud sur les matières premières in France in mid-December and which will have an impact on Canada's position at the 31st session of GATT as well as on the participation of Canada in this conference?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have been informed of the results of the summit conference in France. The matter of the implementation of any of the conclusions, particularly with respect to the accord that apparently has been reached between France and the United States, will, of course, have to be submitted to the appropriate agencies, particularly within the International Monetary Fund. On the question of fluctuating versus fixed exchange rates, I suggest that there will be opportunity for Canada to take a position on these questions when they arise in these international agencies.

With respect to the north-south conference, we expect it to go ahead in the second week of December. The situation

at present is this: no formal invitations have been extended, certainly not to the eight industrialized countries which will attend the conference, but we expect to be present and are preparing our position on the various important subjects which will be discussed there, which include energy, development, raw materials and international financial questions.

* * *

[*Translation*]

INDUSTRY

TEXTILES—POSSIBILITY OF REDUCTION OF IMPORTS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a supplementary question to the Minister of Industry, Trade and Commerce.

In view of the restrictions proposed by the European Community and the United States during the current GATT session in Geneva, is the Canadian delegation maintaining a firm and unconditional stand towards the objective of international trade liberalization or is our country associating this position with the principle of some sound protectionism particularly with regard to our textile and footwear industry upon which, as it is known, many jobs in Canada are dependent?

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): No, Mr. Speaker, there has been no change in the Canadian attitude with regard to the so-called Tokyo round and subsequent discussions in Geneva. I will be meeting with the delegation there within the next week or so, to obtain a report on developments and the likely events which may flow from the incident to which the hon. member referred. Our policies on international trade and protectionism are well known and have not changed, and my only qualification is one with which the hon. member is familiar. We have a policy with regard to footwear, and the restructuring of the industry, which has some bearing on tariffs. That is, I suppose, the only real answer I can give the hon. member. If he will look at the footwear and leather goods strategy, he will see what is our tariff policy in this regard.

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OLYMPIC GAMES

INQUIRY AS TO STUDY OF NET COST—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the President of the Treasury Board. Will the minister advise whether the government has ever established a basis of net cost to itself for any contributions it may make to the financing of the Olympic Games? By net cost I mean taking into account the revenues which accrue to the government through sales tax, income tax, customs, and so on, arising out of the additional economic activity, regardless of whether it provided the money. If so, was it done with regard to Expo? My assessment is that the government was a clear winner with Expo. Has this been done with the Olympic Games and, if so, what may be the net cost to the government of Canada?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I have not received any information about that and we are not doing any particular study in that area at this time. I do not know if the study has already been done about Expo 67, but I shall inquire and give the hon. member an answer as soon as possible.

* * *

[*English*]

SOCIAL SECURITY

ARRANGEMENTS FOR DELIVERY OF OLD AGE PENSION CHEQUES IN VIEW OF POSTAL STRIKE

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the postal strike and the possibility that postal service may not be available before Christmas, has the minister made arrangements to ensure that old age pension cheques will be received on time?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, new arrangements have been made for delivery of old age pension cheques in December of this year and, I hope, for all years to come. They will now be delivered before Christmas every year. This arrangement, I understand, will come into effect this December.

* * *

● (1200)

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR TABLING OF MODEL AGREEMENTS WITH PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Will the minister be prepared to table or otherwise make available copies of the model agreements he submitted to the provinces in connection with Bill C-73?

Hon. Donald S. Macdonald (Minister of Finance): Yes, sir. I would have to obtain them and also seek translations. I will do that.

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FINANCE

SMALL BUSINESS LOANS—REQUEST FOR CHANGES IN REGULATIONS TO ALLEVIATE DIFFICULTY IN OBTAINING LOANS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Finance and concerns the difficulty businessmen in Ontario experience in obtaining small business loans under the government's guaranteed

loan administration. In view of the wide spread now prevailing between existing interest rates and the 8 per cent ceiling on guaranteed loans, will the minister consider making changes in the regulations to ensure that businessmen can obtain loans under this program?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I thank the hon. gentleman for the question and will take it as notice.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—GOVERNMENT VIEW OF NECESSITY OF OBTAINING AGREEMENT OF ALL PROVINCES TO PROGRAM

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question to the Minister of Finance is based on the fact that the province of Saskatchewan has now opted out of the government's anti-inflation program, which means that there is now no national consensus involving the ten provinces and the federal government. Does he still hold that such national consensus of the ten provinces and the federal government is necessary? If so, is there any intention to call another first ministers' conference, in an attempt, again, to achieve consensus?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, to be fair to the province of Saskatchewan, the Minister of Finance of that province said that Saskatchewan was reserving its right not to participate in the program, but would not take that decision at this time. Perhaps the hon. gentleman's question is premature. I share the emphasis underlying this question. It is necessary to take the kind of national action against inflation about which provincial premiers were talking at the meeting of last September.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

FINANCE' TRADE AND ECONOMIC AFFAIRS

Ninth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Herbert.

[*English*]

NATIONAL RESOURCES AND PUBLIC WORKS

Seventh report of Standing Committee on National Resources and Public Works—Mr. Martin.

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

[Mr. Scott.]

TEXTILES

TABLING OF REPORT OF TEXTILE AND CLOTHING BOARD

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I am tabling today a report, in both official languages, from the Textile and Clothing Board on broadwoven filament rayon fabrics.

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AIR CANADA

TABLING OF LETTER OF RESIGNATION OF CHAIRMAN

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on behalf of the Minister of Transport (Mr. Lang), I wish to table, under Standing Order 41(2), copies of the letter of resignation of Mr. Yves Pratte, chairman of Air Canada, and the letter of acceptance of that resignation signed by the Minister of Transport. Pursuant to the requirements of this Standing Order, these letters are being tabled in both official languages.

Mr. Paproski: Mr. Speaker, I rise on a point of order. The minister in charge of multiculturalism made several statements during today's question period which many members from both sides of the House would like to see him make on motions. This type of thing takes up a great deal of time in the question period. Because we really do not have an opportunity to ask extra questions of the minister, I feel that the only time he should be making such statements is on motions.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the following questions will be answered today: 3,242, 3,271 and 3,479.

[*Text*]

NATIONAL DEFENCE AIRCRAFT

Question No. 3,242—**Mr. Reynolds:**

1. What length of time has the CF-104 Starfighter been operational?

2. How many CF-104's does the government own?

3. What is the annual average cost of maintenance and repairs for the aircraft?

4. Is it expected that the aircraft will be soon phased out and, if so (a) on what date (b) with what aircraft?

5. Of the 24 aircraft types that the Department of National Defence has operational, are there any of these aircraft in the process of being phased out and, if so, what types?

Hon. James Richardson (Minister of National Defence): 1. Since, December 17, 1962.

2. 105 CF-104 aircraft (83 CF-104 single seat; 22 CF-104 dual seat). Of these 83 are in service.

3. The cost of spare parts, repair and overhaul for 1975-76 for the aircraft in service is epxected to be $12,352,000.

4. (a) The operational life of the CF-104 extends into the 1980's and no date has yet been set for phasing out this aircraft. (b) Replacement studies are underway but no replacement aircraft has been selected.

5. No.

CHEESE IMPORTS

Question No. 3,271—**Mr. Herbert:**

1. On what basis was the import quota for cheese established in each of the past five years?

2. Is the supply of Canadian cheese adequate to satisfy the domestic market?

3. What percentage of imported cheese retails at prices competitive with or below popular brands of Canadian cheeses?

4. From which countries do we import cheese?

5. To which countries do we export milk powder?

6. Are there any agreements which tie cheese import quotas to the import or export of other farm products?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Cheese of all types have been on the import control list of the Export and Import Permits Act for the past five years. During this period, import permits were freely issued for all cheese imported for direct consumption except cheddar and colby. On June 6, 1975, a global import quota for all types of cheese was established. The quota amounts to 50 million pounds for 1975 and represents an increase of 2 million pounds over 1974 imports. The size of the quota was determined by taking into account the requirements of the Canadian market, recent performance of imports and the relationship of imports to the domestic dairy situation.

2. Canadian cheeses supply 84 per cent of the domestic market. Cheese imports provide a wider selection of cheese to consumers as many of the cheeses imported are not manufactured in Canada. It is recognized by the cheese industry that the wide variety of imported cheese has stimulated consumer interest in cheese. This has been a major factor for increasing the consumption of all types of cheese.

3. The retail prices of imported and domestic cheese are not monitored and statistics on comparative prices are not available. However, it is estimated that 50 per cent of imported cheeses retail at prices above domestic cheese and 50 per cent of cheese imports retail at prices competitive with Canadian cheeses.

4. See below for a list of countries from which we import cheese.

5. See below for a list of countries to which we export mills powder.

6. Canada does not have any agreements which tie cheese import quotas to the import or export of other farm products. Countries from which Canada imports cheese: United Kingdom, Ireland, Austria, Belgium-Luxembourg, Denmark, Finland, France, Germany West, Greece, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, Poland, Romania, Philippines, Australia, Argentina, Jamaica, United States. Countries to which Canada exports milk powder: United Kingdom, Belgium-Luxembourg, France, Sudan, Uar, Malawi, Mauritius Dep., South Africa, Zambia, Bangladesh, Hong Kong, India, Pakistan, Singapore, Afghanistan, Japan, Viet-Nam, Guyana, Brazil, Colombia, Venezuela, Bahamas, Bermuda, British Honduras, Barbados, Jamaica, Leew-Wind Island, Trinidad-Tobago, Costa Rica, Cuba, Dominican Republic, Guatemala, Honduras, Mexico, Netherlands Antilles, Nicaragua, U.S. Virgin Island, St. Pierre-Miquelon, United States.

NEW HORIZONS GRANTS—RIMOUSKI

Question No. 3,479—**Mr. Allard:**

1. Since inception of the New Horizons Programme, has money been allocated to the Constituency of Rimouski and, if so, in what amount?

2. For each project in the Constituency, what (a) is the title (b) is the amount allocated (c) is the year of acceptance (d) is the name of the municipality concerned (e) are the number of jobs which have been created?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. $76,028.00

2.

(a)	(b)	(c)	(d)
Nil		1972-73	
Les Retraités à l'action	$15,317.00	1973-74	Rimouski
Le groupe des Aînés de St-Anaclet	1,226.00	1973-74	St-Anaclet
Confort et détente à l'Âge d'Or	3,873.00	1973-74	Sayabec
Club d'Âge d'Or	1,075.00	1973-74	Ste-Angèle de Merici
Club de l'Âge d'Or du Bic	5,200.00	1974-75	Bic
"Les loisirs, les bons amis"	1,856.00	1974-75	St-François-Xavier-les-Hauteurs
Club de l'Âge d'Or St-Yves	4,400.00	1974-75	Rimouski Est
Les Blés d'Or de la Métis	2,858.00	1974-75	St-Octave-de-Métis
Les Dynamiques du Foyer de Rimouski	3,118.00	1974-75	Rimouski
Club de l'Âge d'Or "La Belle Équipe"	3,594.00	1974-75	St-Donat
Conseil Régional de l'Âge d'Or (Est du Québec)	3,044.00	1974-75	Rimouski
Club "Âge d'Or" St-Cléophas	2,175.00	1974-75	St-Cléophas
Les Aînés de Ste-Odile	8,475.00	1975-76	Rimouski
Club de l'Âge d'Or "du Bonheur"	3,040.00	1975-76	St-Noël
L'Âge d'Or de Luceville	4,615.00	1975-76	Luceville
Club de l'Âge d'Or	4,785.00	1975-76	St-Valérien
Club d'Âge d'Or St-Gabriel	5,175.00	1975-76	St-Gabriel
Les Personnes du Troisième Âge	2,202.00	1975-76	Mont-Joli

2. (e) None. New Horizons is an activity-oriented program, not a job-creating one. It was establisshed to enable retired Canadians to participate in activities beneficial to themselves and to the community, and all participants are volunteers.

Order Paper Questions

QUESTION PASSED AS ORDER FOR RETURN

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, if question No. 3,477 could be made an order for return, this return would be tabled immediately.

[*Text*]

LOCAL INITIATIVES PROGRAM—RIMOUSKI

Question No. 3,477—**Mr. Allard:**

1. Since the inception of the Local Initiatives Programme, has money been allocated to the Constituency of Rimouski and, if so, in what amount?

2. For each approved project in the Constituency, what (a) is the title (b) is the allocated sum (c) is the year of acceptance (d) is the name of the municipality concerned (e) are the number of jobs which have been created?

Return tabled.

* * *

[*English*]

STARRED QUESTIONS

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, would you be so kind as to call starred questions Nos. 3,136 and 3,513?

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

[*Text*]

*SOCIAL SECURITY

Question No. 3,136—**Mr. Knowles (Winnipeg North Centre):**

1. Have any countries during the years 1973, 1974 or 1975 expressed an interest in concluding a reciprocal agreement with Canada in respect of social security and, if so, which countries and, in each case, with respect to what branches of social security?

2. Are negotiations in progress with any of such countries looking toward a social security reciprocal agreement and, if so, which ones?

[*English*]

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the answer is as follows. 1. During the years 1973, 1974 or 1975, Belgium, Bermuda, Guyana, Italy, Jamaica, Malta, Norway, the United Kingdom and the United States of America respectively have expressed an interest in concluding a reciprocal agreement with Canada with respect to one or more of the following branches of social security: Old Age, Invalidity, Survivors and Death; Sickness and Maternity; Work Injury; Unemployment; and Family Allowances.

2. Although technical discussions have been held with the United Kingdom, the United States of America and Italy, no formal negotiations have taken place with any of the countries interested in concluding such an agreement. Informal contacts, however, have been maintained. For example, this subject was discussed in general terms in a most cordial and welcome visit this morning among the minister, myself and the new Italian ambassador, His Excellency, Giorgio Smoquina.

[Mr. Lalonde.]

[*Text*]

*CUSTOMS CLEARANCE FEES

Question No. 3,513—**Mr. Lachance:**

Is it normal that a postal parcel without any market value, sent by air cargo from New York to Montreal, be subject, in addition to transportation fees, to custom clearance fees when it is taken in charge by the addressee and, if so (a) for what reason (b) does the government intend to apply the same rule with respect to travellers entering Canada and taking possession of their luggage at Canadian customs?

[*English*]

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, the answer is as follows: (a) Canada Customs does not levy a fee for clearance of postal parcels into Canada during authorized hours of customs business, other than duties and taxes. In instances where a written entry is required by customs, the importer is responsible for its preparation. However, he may have these formalities carried out on his behalf by a customs broker who will charge a fee for that service. (b) The entry of traveller's baggage is not normally documented at Customs and there is no clearance fee levied by Customs.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed, from Thursday, November 27, consideration of Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, as reported (with amendments) from the Standing Committee on Agriculture; and motion No. 5 (Mr. Benjamin).

Mr. Speaker: Before resuming debate on motion No. 5, it appears that as a result of yesterday's discussion, in addition to motion No. 5, motions Nos. 6, 7, 8, 9, 11 and 12 remain to be discussed. We will now continue the discussion on motion No. 5. Motion No. 6 will have to be discussed and voted on separately. Motions Nos. 7 and 8 will be discussed and voted on together. Motions Nos. 9, 11 and 12 will be discussed and voted on separately. Is this agreed?

Some hon. Members: Agreed.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I rise to speak on motion No. 5 to Bill C-41 respecting the stabilization of western grains. I am going to support this motion, which adds the following provisions to the bill.

(i) depreciation on farm machinery and equipment used for grain

production or used in the farm business in respect of grain production and transportation;

(j) interest charges incurred in respect of the production or sale of grain; and

(k) producer levies in respect of this act.

These are to be added to the cost of production for the purpose of the Western Grain Stabilization Act. I am sure almost every member of this House will agree that interest and depreciation can be one of the larger costs of production. If we were going through this type of exercise of stabilization in business and in industry they would be very much in favour of including interest charges and depreciation in their costs. Interest is, of course, a real cost. In my opinion it must be included in any cost of production, whether it be farm, business or industry.

I want to speak about interest for a short while, and farm loans, especially those made to young farmers. The government has taken a good step forward in increasing the amount of these loans so that young farmers can more easily get into the business of farming. This is what we need in Canada—more young farmers. It has been shown that the average age of farmers is high. Therefore, as I say, more young farmers are needed. When a farmer goes to the farm loan people to get a loan, I am sure one of the main things they look at is the interest cost: how much interest he is paying on the farm machinery which he needs to operate his business properly.

● (1210)

When we look at stabilization bills we find the government does not believe interest rates should be counted as part of the costs of production. We went through all this in connection whith the stabilization bill which the Minister of Agriculture (Mr. Whelan) presented to us. Hon. members may recall that the Federation of Agriculture along with other farm organizations, made strong representations to the minister pointing out that interest charges represented a real cost and one which should be taken into consideration.

Consider what is happening to farming in Canada. Farming has become highly mechanized. The Minister of Agriculture himself pointed out that as a result of mechanization, farmers produce more than any other workers in Canada. This was made possible because of moving from a highly labour-intensive industry to a highly mechanized industry. In order to do this, of course, farmers had to borrow money, thus incurring interest charges which have been running at increasingly high rates. It is true that machines are labour-saving, but they represent a serious investment for the farmer concerned, and if we turn our backs on costs of this type when we consider any kind of stabilization bill, we are acting incorrectly.

If we follow this argument through, we find that depreciation becomes a more important factor than ever because of the high initial cost of farm machinery. Possession of one machine creates the need for another to complement the one you already have; the farmer immediately finds himself dependent on a series of costly machines and his concern about their depreciation is increased accordingly. While we are on the subject of depreciation, allow me to quote what the Parliamentary Secretary to the Minister of Transport (Mr. Goodale) said yesterday in response to the hon. member for Regina-Lake Centre (Mr. Benjamin). Speaking on motion No. 5, he said:

There can be no doubt that if you were to ask a producer a very blunt and straightforward question about what he views as being one of his most important cost items he would probably reply that it was depreciation. It was not very long ago that western grain producers were literally living off their depreciation. It is an item which is first and foremost on their minds. When one looks at the particular provision in the context of the grains stabilization bill, one can see that the inclusion of depreciation is not one that will enhance the protection this bill offers western grain producers.

That is quite a statement. Ask any farmer whether he agrees with it. The only part I agree with is that farmers have sometimes had to live off the depreciation on their machinery. They did not want to do so because it is not a good position to be in. However, farmers in Canada were sometimes obliged to do it because they were not getting their cost of production, or enough money to live on, out of the market. It did not enhance their operation, because what they were doing was taking out the money they should have been using to replace their machinery.

What happens when farmers do not have the money to buy new machinery? They borrow more money for that purpose, thus increasing their debt and incurring further interest costs, which in turn means a higher cost of production. They are not using their depreciation allowance in the manner in which it is supposed to be used. The statement the parliamentary secretary made shows he knows very little, or nothing, about farming or about what farmers have to go through. The depreciation provisions are there to enable a farmer to replace his machines. They are a legitimate cost for which provision is made by the Department of National Revenue. This applies to farmers, to businessmen and to everyone else. The commercial world could not operate properly without it.

It would, of course, be very nice to be able to buy a machine and to write off its cost in the first year. But that is not the way in which the system is set up. As it is, the purchase becomes a legitimate cost of production in the total operation of the farm. Today, as I have explained, it is even more important than it was in the past. The parliamentary secretary was saying, in effect, the farmers are buying machinery so they can live off the depreciation, or else that farmers are overmechanized. Let me tell him that no farmer who buys more machinery than he needs, just to live off the depreciation will last very long. He should be using his depreciation allowance correctly so that he can replace his machinery as it wears out.

There is also the argument that farm machinery is in the nature of a long-term investment. A farmer uses his machines as long as he can; he does not dispose of them until they are worn out or have been superseded by other types which are much more efficient and cut down his costs of production. Anyone experienced in farming knows that many of the machines farmers buy do not last very long; they do not have a long life. Every hon. member knows about the life of a car and how long it can be kept before being traded in. Farm machinery suffers more abuse than cars, and as a result its life is short.

● (1220)

The minister used some examples showing western farmers what the stabilization act did between 1954 and

1974, a period of 20 years. Not too many machines last for 20 years. They are more likely to wear out or have to be replaced within five years. It is not very often that you can fully depreciate a machine under the Income Tax Act before it is worn out.

I very much support the amendment which seeks to include depreciation in the cost of production. In addition, the amendment seeks to have producer levies included in the act. Once again, this is a very real cost of production for farmers. The Parliamentary Secretary to the Minister of Transport in his speech yesterday said they were going to be included, but if I heard correctly in committee I got an entirely different interpretation; I understood they were not going to be included in the cost of production. Even though it has been said that producer levies are to be included, this has yet to be determined. Certainly it is something that should be included in the motion.

When the agriculture committee toured the three prairie provinces to hear briefs on the stabilization bill and to talk to farmers, I did not talk to one farmer who told me that depreciation, interest and levies should not be included in the cost of production. Quite frankly, we did not find too many farmers hotly in favour of the stabilization bill, but nevertheless they said that if parliament imposed it upon them, they wanted everything included that it was proper to include. This is the reason I have taken a few minutes of the time of the House to speak to this motion.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, I have very few comments to summarize the arguments on the government side of the House against motion No. 5 which has been debated rather extensively. As well, perhaps, I make the request for understanding on the part of the non-agricultural members of the House. This is a comprehensive bill which is of great import to western Canada. The measure has taken a good deal of time.

I should like to correct a misunderstanding that has been left—I say a misunderstanding rather than a misstatement—by my colleague, the hon. member for Assiniboia (Mr. Goodale), who discussed this amendment in the House last night. Hon. members will find his speech reported at page 9527 of *Hansard*. Essentially, the remarks of my colleague from Assiniboia were correct with respect to paragraph (c)(i) of the motion we are debating, namely, whether or not to include depreciation. The hon. member for Assiniboia was also correct so far as paragraph (c)(j) was concerned respecting interest charges. Where the misunderstanding came about was in the hon. member's remarks that dealt with the inclusion of producer levies in this legislation.

I suppose that clause 8(3)(f), insurance premiums, at page 11 of the bill could be interpreted to include producer levies, and that was the understanding of the hon. member for Assiniboia. However, both he and I checked with the minister and his departmental officials, and that is not the interpretation to be made of that provision. In other words, producer levies are not now included within the term "insurance premiums". Part of the logic here makes sense, in that if producer levies were added as part of the cost, you would then have to consider any pay-outs that may be triggered by the bill as income, on the other side of the coin. While producer levies are not included as an expense under this provision in the act so far as area gross expenses are concerned, it is a deductible expense for income tax purposes for any individual farmer making payment.

I could spend some time responding to the remarks of the hon. member for Okanagan Boundary (Mr. Whittaker) about depreciation. Certainly he does not have to convince any member on this side that it is indeed a very real cost. The idea of including depreciation in some way in the bill has been explored and examined pretty thoroughly. To come back to the point made by my hon. friends opposite, at the moment this bill is fairly complicated and it was felt that it would be complicated further by including depreciation, without bringing about the desired kind of action or response in terms of the plan itself. I can only inform hon. members that the officials were able to convince me that it was wise to leave it out. We are not saying that it is not an expense, but from the point of view of the bill it was felt it was better to leave it out. With these few words, I hope I have been able to clarify one misunderstanding that was left in the debate last night regarding producer levies being included as an expense.

Mr. Benjamin: On a point of order, Madam Speaker, before the parliamentary secretary resumes his seat I wonder whether he would permit me a question or two.

Mr. McIsaac: Yes, Madam Speaker.

Mr. Benjamin: In light of the parliamentary secretary's remarks, may I ask him whether the hon. member for Assiniboia (Mr. Goodale) was correct, as he just now confirmed, on the question of interest charges incurred in respect of the production and sale of grain being eligible as an expense in computing costs of production under the bill? Could he tell me in which paragraph this is covered under clause 8(3) of the bill? Which of those paragraphs would allow interest charges to be calculated as an expense in arriving at the cost of production in respect of this bill?

● (1230)

Mr. McIsaac: I understand it is included by implication, but I would rather not go too much further. Perhaps I could discuss this further with my hon. friend.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, since you allowed a question by the hon. member for Regina-Lake Centre (Mr. Benjamin), I wonder whether I might ask a question. When I heard the parliamentary secretary's statement about depreciation, I gathered he approved of the idea that depreciation is a legitimate farm expense but that the civil servants persuaded him it was better to leave it out of the bill. I should like further explanation on that matter.

Mr. McIsaac: I am sorry if the hon. member misunderstood what I said. I said I recognized that depreciation is very important as a farm expense, but that for the purpose of the calculation in this particular legislation, and the manner in which it could affect the plan by triggering payments when payments were needed, it was just as well to leave it out of this bill.

Mr. Benjamin: Madam Speaker, when the parliamentary secretary says that by implication interest charges are there, I presume he means that by implication the interest

on farm machinery, machinery parts, and equipment would be part of the cost of operation. I am not a lawyer. I know the parliamentary secretary is and that the hon. member for Assiniboia (Mr. Goodale) tries to be. As I understand it, the courts and those who administer the law do not accept—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member has already spoken on this motion. If he has a question to ask, perhaps he would put it now.

Mr. Benjamin: Yes, Madam Speaker. Since the courts and those who administer the law do not accept what has been given as an understanding, I ask the parliamentary secretary whether he and the hon. member for Assiniboia would give the nod to the government House leader to accept that portion of my motion, namely, paragraph (j). While I do not like it, I would accept the elimination of the matter of depreciation, but I would ask that they at least accept paragraph (j) which relates specifically to interest charges.

I agree that interest charges would exclude any interest paid on land and would apply only to machinery, equipment and buildings. If the parliamentary secretary would give the nod to the government House leader, it would only take a moment to amend my motion to delete the first and third paragraphs if the government would accept paragraph (j) in respect of interest charges and make it specific in the bill. In that way there would be no doubt as to whether interest charges could be included.

Mr. McIsaac: Madam Speaker, I would like to accept the suggestion of my hon. friend, but I am afraid at the moment I cannot do so without further consideration.

Mr. Gordon Ritchie (Dauphin): Madam Speaker, I should like to add some words in general agreement of the suggestion that some parts of this amendment are worthy of acceptance, particularly as it concerns depreciation of farm machinery. In the case of any farmer in western Canada, particularly a new producer or one who intends to farm for a number of years, most of his expenses are in farm machinery. I think it is significant that the value of his land is quite a bit less than the value of his farm machinery, compared to the situation 25 years ago. This means that the cost of farming has increased rapidly because of rapid increases in the price of farm machinery.

I think it should be realized that the market for farm machinery is continent-wide in North America and that the guidelines in respect of control may well have an effect, but the price of farm machinery will continue to rise. We have seen rapid increases in the price of farm machinery. We have seen the price of a tractor increase from $10,000 to $20,000 in a period of two or three years. If we take any fairly recent farm operation, say in the last five or six years, we may find that the cost of the land is less than the cost of the machinery.

In this bill, apparently, repairs will be counted as an expense but depreciation will not be so counted. It is said this is because it would be difficult to administer. However, income tax returns could be used in a general way. Statistics regarding the sale of new farm machinery are compiled by Statistics Canada. With regard to practically every aspect of farm input there is general knowledge through the reporting by firms, and so on. If fertilizer and oil, for instance, may be computed in the cost of producing grain, surely depreciation on farm machinery on a global basis would be easy to arrive at. Therefore, in respect of depreciation I do not think there should be any greater error in a global assessment of the total cost of machinery than there would be in a global assessment of the total cost of fertilizer, oil, gas, repairs to buildings and repairs to machines.

I might add that interest charges certainly represent a very great cost of doing business. This is recognized by the income tax department. When one receives a loan from a bank the banker, in looking at the viability of the farm operation or any other operation, recognizes the cost of interest as a cost of doing business.

This act is something of an experiment. It is an attempt to change the various programs that have grown up over the years in order to stabilize the western grain industry. If this legislation is to be meaningful in the future and of any value in the establishment of guidelines, it will have to be changed. About 10 per cent or 20 per cent of the farmers already established will avail themselves of this legislation. If we leave out depreciation on farm machinery, we will be leaving out perhaps 25 per cent of the total cost of a farming operation in any one year. If we include the interest, we are probably looking at another 10 per cent or 15 per cent.

In fact, without the inclusion of these items the plan will be grossly deficient in respect of assessing the actual cost of growing grain, particularly for the individual farmer. In the future, obviously, if this is to come directly to the individual farmer the cost of depreciation and interest will be very important matters to him.

● (1240)

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

Some hon. Members: Question.

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

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

The House divided on motion No. 5 (Mr. Benjamin) which was negatived on the following division:

(*Division No. 84*)

YEAS

Messrs.

Alkenbrack	Beatty	Coates
Allard	Benjamin	Crouse
Andre (Calgary Centre)	Blackburn	Darling
	Brewin	Diefenbaker
Baker (Grenville-Carleton)	Brisco	Dionne (Kamouraska)
	Clarke (Vancouver Quadra)	

Messrs.

Douglas (Nanaimo-Cowichan-The Islands)	Howie	Munro (Esquimalt-Saanich)
Ellis	Huntington	Neil
Epp	Hurlburt	Orlikow
Fairweather	Jarvis	Paproski
Firth	Jelinek	Patterson
Forrestall	Johnston	Peters
Friesen	Knowles (Winnipeg North Centre)	Ritchie
Gilbert	Lambert (Edmonton West)	Roche
Halliday	La Salle	Rodriguez
Hamilton (Qu'Appelle-Moose Mountain)	Mazankowski	Scott
Hees	McGrath	Stanfield
Hnatyshyn	McKenzie	Symes
	McKinley	Towers
		Whittaker
		Yewchuk—55.

NAYS

Messrs.

Abbott	Francis	Marceau
Andras (Port Arthur)	Gauthier (Ottawa-Vanier)	Marchand (Langelier)
Appolloni (Mrs.)	Goodale	Marchand (Kamloops-Cariboo)
Basford	Goyer	McIsaac
Béchard	Gray	McRae
Blouin	Guay (St. Boniface)	Morin (Mrs.)
Boulanger	Guilbault	Nicholson (Miss)
Buchanan	Harquail	Olivier
Caccia	Herbert	Ouellet
Campagnolo (Mrs.)	Holt (Mrs.)	Pearsall
Campbell (Miss) (South Western Nova)	Hopkins	Penner
Campbell (LaSalle-Émard-Côte Saint-Paul)	Isabelle	Portelance
Chrétien	Jamieson	Prud'homme
Clermont	Joyal	Railton
Corbin	Kaplan	Raines
Côté	Lachance	Robinson
Cullen	Lalonde	Rompkey
Cyr	Landers	Rooney
De Bané	Langlois	Sharp
Dionne (Northumberland-Miramichi)	Laniel	Smith (Saint-Jean)
Douglas (Bruce-Grey)	LeBlanc (Westmorland-Kent)	Stollery
Drury	Lee	Tessier
Dupras	Lefebvre	Trudeau
Fleming	MacDonald (Cardigan)	Trudel
Fox	Macdonald (Rosedale)	Turner (London East)
	MacFarlane	Watson
	MacGuigan	Whelan
		Young—80.

● (1310)

Mr. Speaker: I declare the motion lost. It being after one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1.15 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: The House will now proceed to the consideration of motion No. 6 appearing on the order paper in the name of the hon. member for Regina Lake Centre (Mr. Benjamin) as follows:

Motion No. 6.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in clause 10 by striking out lines 1 to 29 at page 15.

[The Acting Speaker (Mrs. Morin).]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, we are putting forward this motion on the ground that payments from the fund ought not to be reduced after three successive years in which net income from grain was so bad that pay-outs were required. Obviously, that is not the time to reduce the amount of the pay-outs from 100 per cent to 90 per cent, because participants in the plan will be in pretty bad financial shape. There might be some logic in reducing payments when times are good.

The purpose of our amendment is to keep the level of support always at 100 per cent. It would strike out the provision which would reduce the level of payment to 90 per cent over the last five-year average when the fund has been in a deficit position for three years. This would serve to enhance the stabilization effect of the plan. I thought the government wished to do everything they could to ensure the very purpose of the legislation, namely, the stabilization of net grain income. Our amendment would have that effect. We believe payments should not be reduced when they are most needed. That is surely not the time to start picking on people who have already been kicked in the face by declining world markets, transportation problems or poor world prices. It is not the time to be reducing the stabilization effect of the program. Surely the pay-outs should be left at 100 per cent.

No doubt you could get into a situation where the fund would be in a deficit position, or have a slightly larger deficit than would be the case after three successive years of pay-outs, but there will be the good years so far as loans to the fund are concerned, and there will be a recovery in future years as a result of contributions by producers and government. We do not think it is fitting, fair or proper to start reducing the stabilizing effects of the plan after three successive bad years; we would like to see 100 per cent pay-outs.

● (1410)

Mr. Doug Neil (Moose Jaw): I should like to make a few comments in connection with the motion moved by the hon. member for Regina-Lake Centre (Mr. Benjamin). We have examined it in detail, as well as the clause in the bill. What concerns the members of our party is this: we feel the bill should be as actuarially sound as possible. I can see the reason for inclusion in the bill of a clause that reduces the pay-out to farmers when the amount of interest owing exceeds one-third of the aggregate of the annual levies. If we examine the statistics given to us in committee by representatives of the government, we note that for the period 1954 to 1974 this clause would take effect in 13 years. It is also interesting to note that in that 20-year period, for seven of the years there was additional money required to be put into the fund by the government, which led to interest of some $210 million, being charged to the fund, all of which had to be repaid by the producers.

I do not think it is fair to the producer to burden him with high interest costs. It is not fair to the taxpayers of Canada to be called upon to lend this money to the fund. I think it proves the fallacy of the actual program, which is supposed to be an over-all program. The plan is triggered when the net income over a five-year period is less than the amount of income in the year. This is the reason we proposed in the committee hearings an individual program that would provide for the producer to pay into an

individual fund $2 for every $1 put in by the government. This type of individual program would never require any loan by the federal government and would mean that the producer would never have to pay interest. He would have complete control of the plan and be able to adjust his income annually. If he did not need the money, he would not withdraw it; if he did need the money, he could. Ultimately, he could use it as a form of retirement pension if he chose, in the years that he was farming, not to draw from the plan.

These are the basic reasons we are opposing the amendment of the hon. member for Regina-Lake Centre. While we do not like this bill, we would like to see it kept as good a bill as possible and as actuarially sound as possible. To adopt the motion before the House at the present time would create problems which would deplete the plan and cause the individual producer to be faced with high interest charges, particularly if the historic figures between the years 1954 and 1974 were used.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to address a few words to this particular amendment. I completely concur with the comments made by the hon. member for Moose Jaw (Mr. Neil) about the actuarial soundness of the plan. There are two provisions in the bill to ensure that the legislation is always kept reasonable and logical from that point of view.

The particular section of the bill to which this amendment pertains is one that affects the size of the potential payment out of the plan. The other provision in the bill to safeguard the soundness of the legislation is the one that is dealt with in motion No. 9 standing in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin). I think the comments of the hon. member for Moose Jaw relate very much to that motion as well; it is very much on the same theme. I thank him for making the points he did; I think they were completely sound and reasonable. It is important that the legislation be kept as actuarially sound as possible. The provisions written into the bill in the first place are designed to do this. Unfortunately, the amendment proposed by the hon. member for Regina-Lake Centre would tend to take away from that and make the plan less sound.

I might point out in passing that if my reading of the past 20 years' experience is accurate—I think the hon. member for Moose Jaw referred to this indirectly—if the plan had been in place for the past 20 years, although we would have gone through some bad years and some bad times which would have necessitated adjustment of the levy rates, I do not think we would ever have got to the point where there was an actual reduction in the payments. There may have been one year, but no more than one. I think this demonstrates the reasonableness of this kind of provision. To delete or negate it, as the hon. member for Regina-Lake Centre has moved, would make the plan somewhat artificial and tend, in a distorting sort of way, to insulate the plan, indeed to insulate the prairies region from real and practical factors in the world of grain production that simply cannot be ignored. With those few remarks, I thank the hon. member for Moose Jaw for his comments and urge the House to defeat this amendment.

Before I sit down, may I refer briefly to the comments made this morning by my hon. friend and colleague from Battleford-Kindersley (Mr. McIsaac) having to do with the matter we were discussing yesterday, producer levies, and whether or not they could be classified as insurance premiums within the wording of the legislation. I thank the hon. member for clarifying that matter on my behalf. I should also like to apologize to hon. members if I in any way misled them in the comments I made in the House yesterday evening. If there was a misinterpretation on my part, it was certainly unintentional.

May I also, at this time, thank the hon. member for Moose Jaw and the hon. member for Regina-Lake Centre for drawing this item to my attention and for accepting so graciously the explanation given earlier today.

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

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour of motion No. 6 will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Deputy Speaker: I declare the motion lost on division.

Motion No. 6 (Mr. Benjamin) negatived.

● (1420)

Mr. Deputy Speaker: Hon. members are aware that I have put the motion. I waited a due time. If members, on reflection, wish me to call the vote again, I hope they will stand and make a formal request, otherwise I have declared the motion lost on division.

I wish to bring to the attention of hon. members that Mr. Speaker suggested this morning that motion No. 8 be grouped with motion No. 7. I now call motion No. 7 and motion No. 8.

Hon. Mitchell Sharp (for the Minister of Transport) moved:

Motion No. 7.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in clause 11 by

(*a*) striking out line 41 at page 15 and substituting the following therefor:

"all participants for those three years; and";

(*b*) striking out lines 1 to 4 at page 16 and substituting the following therefor:

"(*b*) in respect of each participant, multiply the aggregrate amount that"; and

(*c*) striking out lines 9 to 43 at page 16 and substituting the following therefor:

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"this subsection.".

Standing Order 75(6)

Recommendation

His Excellency the Governor General recommends to the House of Commons that Bill C-41, An Act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, now before the House, be amended

(*a*) by striking out line 41 on page 15 and substituting the following:

"all participants for those three years; and";

(*b*) by striking out lines 1 to 4 on page 16 and substituting the following:

"(*b*) in respect of each participant, multiply the aggregate amount that"; and

(*c*) by striking out lines 9 to 43 on page 16 and substituting the following:

"this subsection.".

Motion No. 8.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in clause 11 by striking out line 10 at page 17 and substituting the following therefor:

"culated pursuant to paragraph (1)(*b*) in".

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, at this stage, before I speak, does the government representative have any explanation for these two motions?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Yes, Mr. Speaker. Motions Nos. 7 and 8, in the name of the minister, have to do with a clause that was placed in the bill in the first place in response to the recommendations and suggestion of various farm organizations and spokesmen from western Canada. They have to do with a situation where a producer decides to opt out of the stabilization plan in other words, to exercise his option—and then at a later stage changes his mind, as is his right under the legislation, and decides to come back in.

The original draft of the legislation suggested that a producer could simply exercise his option in that way and immediately return to the plan as a full-time participant. Some producer organizations and others said that this was not fair. It was suggested that if a producer decided, in his own good judgment, that he wanted to opt out of the plan and then changed his mind, he should be free to do so but should not be able to re-enter the plan on a full-time basis the same as a farmer who had been in from the beginning and had toughed it out, if you like, through thick and thin, in good years and in bad.

That suggestion seemed to have merit, so we produced a clause which provides that a farmer re-entering the plan comes in, not as a full participant but as a conditional participant, meaning that if there is to be a payment made from the stabilization fund in the first three years after he has changed his mind, he will receive only 90 per cent of the payment which he received in the first three years. When the three years have expired, he will become a full-time participant as if he had been in from the beginning.

The amendments the minister is putting forward do nothing more than simplify the calculation of that 10 per cent value that is to be taken off the potential payment to a producer in that conditional category. The calculation, as hon. members opposite have taken some pains to point out, is rather complicated. The provisions proposed in these amendments make it a very straight-forward and rather direct deduction of 10 per cent, which is much simpler than the original calculation set out in the legislation. The royal recommendation which hon. members see printed with the motion is required because this payment has the potential of increasing the amount of money that would be paid by the treasury.

I suppose it is a matter of mathematics in comparing the calculation as originally proposed with the one we are proposing by way of this amendment to see where the additional dollars might come from; but in simplifying the formula, as we are doing in these two motions, there might be a chance that the payment out to a conditional participant would be slightly higher than under the more complicated formula. That is all these amendments do. They do not affect the actuarial soundness of the plan. The amendments, clearly, are very much in favour of the western grain producer.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I want to thank the hon. member for Assiniboia (Mr. Goodale) for his explanation. I support the view he has put forward. I think it points out what the hon. member for Moose Jaw (Mr. Neil) mentioned earlier today, namely, that by placing this legislation in the area of a pay-out bill, whereby everyone knows what he pays in but does not know what he will receive in the form of a pay-out, we will run into the problems just described by the parliamentary secretary.

If we had a plan whereby each man put in his money and the federal government put its money into an individual plan, there would be no necessity for all these definitions and rules, we would have something much simpler to explain to the farmers, and it would be easier to get the farmers into the plan. But no matter how hard one works on this type of legislation, it is so complicated that I am certain the selling job required to get the farmers to see the merit of the plan will be difficult.

These two amendments are a little fairer and, I would suggest, will add a burden to the treasury in that it may be paying out more than under the original statute. But in essence these amendments will make it easier to sell farmers the idea that they should get into the plan. We will support the government's amendments because they improve slightly what is very bad legislation.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I think it is a little ironic that when dealing with this bill, first of all the minister made some erroneous statements and then the parliamentary secretary made the same type of erroneous statements. Thank goodness we have the hon. member for Battleford-Kindersley (Mr. McIsaac) who can try to clarify those comments, but if the hon. member for Battleford-Kindersley should make an erroneous statement, I wonder who would correct him.

This is a simple bill. I should like to read a portion of the clause so as to put on the record what we are dealing with here. It is very simple and I am sure the House leader will be very happy to agree that it is simple. Clause 12(b) reads as follows:

● (1430)

(b) in respect of each full participant, determine the amount of the stabilization payment that may be paid to him by multiplying the aggregate amount that may be paid as stabilization payments for the stabilization year determined pursuant to section 11, by the ratio determined pursuant to paragraph (a) of this subsection; and

(c) in respect of each conditional participant, multiply the aggregate amount of levy paid under this act, prior to and for the stabilization year by the participant since he became a conditional participant, by the lesser of

(i) the ratio of the aggregate of all amounts determined pursuant to paragraph (b) to be payable to full participants as stabilization payments in the stabilization year to the levy paid by but not refunded to all full participants for the two years immediately preceding the stabilization year and the stabilization year, and

(ii) the ratio of

It is perfectly straightforward, understandable English. Is it any wonder that we find the minister is misinterpreting the provision, as is his parliamentary secretary? The ironical part of it is that, as a member of the House and formerly a grain producer in western Canada, I am very much aware of the fact that in order to stabilize the grain industry it is not necessary to bring in a complicated formula.

The parliamentary secretary to the minister in charge of the Wheat Board (Mr. Goodale) told us that the operation will only cost $300,000 a year. Why, then, do we have $300,000 in the present supplementary estimates with which we have to deal in the Standing Committee on Agriculture to cover the period from now until March 31? Also, we were told that probably other supplementary estimates would be coming before the committee prior to that time, so why is the whole amount included in the supplementary estimates if it is to apply to the whole period of 12 months? It seems to me that part of these estimates could be included in next year's estimates. I see the hon. member for Battleford-Kindersley agrees with me on this, and it makes common sense.

One of our great concerns with this bill is that now another bureaucracy will have to be set up. We all know that the greater the bureaucracy, the more costly the operation for which eventually the taxpayers have to pay, which includes each and every one of us in the House. We are only trying to help the government to cut down their expenditures, but it is very difficult to get through to the minister in charge of the Canadian Wheat Board (Mr. Lang) and make him understand it is difficult for the taxpayer to have continually to increase the amount he is paying to the Department of National Revenue.

We have just been through the exercise, in western Canada, known as the PFAA which was primarily set up to achieve the same objectives as those for which the Prairie Grain Stabilization Act was set up. I believe that this whole program could be run from Ottawa. If you want to find exactly what the cost of the operation of any farm in western Canada is, all you have to do is accumulate the total cost to the Department of National Revenue. Certainly, in this age of computers, it should not be difficult to do. Then average out the cost and, using figures from Statistics Canada on whatever increase there may be in production, you will arrive at a figure which will give you the cost factor acceptable to the producer and which will be of benefit to the government.

It seems to me that this is a simple method of finding out the cost. If we cut down the cost, we will increase the return to the producer. I feel that there has been an oversight on the part of the minister and of his supporting staff in that they did not bring out a simple formula whereby the producers would know what they will receive in certain years when their income is lower.

The parliamentary secretary mentioned that those who opt out of the program and later come back in will be penalized. This is why we have the amendments that are before us at present. I agree that certain penalties should be established for opting out and then coming back in, as the hon. member for Moose Jaw (Mr. Neil) suggested, but if the program is acceptable and benefits the producers, they will want to stay in it.

The value of this program is being questioned by western producers. Many of them feel they can take it or leave it; they couldn't care less. When you talk to people out there, you find they are not very interested in the program, primarily because they do not think it will be of much value to them. One of the great shortcomings of the program is that it brings no return to the individual who, after making premium payments for several years, decides to leave farming. That is one of the reasons older farmers do not wish to participate in the program. They cannot afford to take a chance on not getting any return on the premiums they have paid. Why should they pay into a program for three, four or five years, then leave farming and have no return whatsoever? There are other people who do not want to take a chance on participating in the program because they fear because they will not get any return on the money they pay in.

This is not an acceptable program, and what I regret is that it will probably take the place of what could be an acceptable program some time in the future. It is always very difficult to change these schemes once they are put in place. After a producer pays into a program for five, six or even ten years, if a new one is brought in surely he should not lose the money he paid under the first program. Farmers should not be penalized because new programs are introduced. Once a producer participates in a program, it becomes very difficult to bring in another sound, acceptable one. Provision must be made in any new program which will make it acceptable to the producers.

That is why I believe the minister and his parliamentary secretary have short-changed the western prairie grain producers in this bill, although they had a golden opportunity — probably there will never be a similar opportunity for years—to bring in an acceptable program which would be of benefit to producers, one that they would want. As I said earlier, if you speak to the producers you will find that many of them couldn't care less. What can we in the opposition do? We have to support this bill because there is no better program to support at this time. Surely somewhere down the road we will have the opportunity of establishing a program for the grain producers which will be of benefit to them and, ultimately, to Canadian taxpayers.

Grain Stabilization

● (1440)

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I was interested in the remarks of the hon. member for Red Deer (Mr. Towers) and pleased that he took the time to read one of the sections of the bill to put on the public record its complicated nature. It is all very well to have statute books, but not too many people, except lawyers, read the statutes. When something like this is recorded in *Hansard*, however, it gets very wide public coverage.

On two or three occasions I have asked friends of mine in the legal profession to look over certain sections of the bill and, like me, they found many of them almost incomprehensible. Our committee travelled for one week last summer in western Canada. We went to the three prairie provinces, to the major cities, accepted briefs and heard presentations by various farm organizations, such as the wheat pools and the Palliser group and others. Almost every organization that presented a brief spoke of the complexity of the legislation. It had been placed in their hands a considerable time before, and I understand that a briefing team from the Department of Agriculture travelled to western Canada to meet with executives of the farm organizations. Those executives told us that despite the briefing they still thought the bill was so difficult and complex that they were not able to cummunicate with their grass roots people in order to get an expression of opinion from them.

I think it is important that producers in Canadian Wheat Board regions understand what the legislation is about. If they do not understand it, they are certainly not going to participate.

It is important that the government put out a brochure on this bill, explaining it in layman's terms so that farmers will know what their contributions will be as well as the government's contributions, and they will know the penalties if they decide to opt out of the program and then opt into it. If that is not done, I am afraid a great many producers in western Canada will not participate in the plan, and unless the majority participate it will not work. Despite what I have just said, I am afraid that even with explanations the producers of western Canada will not accept the plan as satisfactory.

I mentioned earlier today, and I want to repeat it, that we on this side believe in a program of individual participation. We submitted a fairly comprehensive paper to the committee setting out in detail what our program was. The minister in charge of the Canadian Wheat Board did not see fit to accept our proposals. He said that perhaps some time in the future such an individual plan could be worked out, but in the meantime he was going to proceed with the complicated piece of legislation that we have before us. We suggested that perhaps the legislation could be delayed and, after further consultation with representatives of the producers in western Canada, a satisfactory plan could be worked out. He did not see fit to do that; consequently, we are faced with this legislation which will shortly become law.

As far as the amendment is concerned, it is to a very complicated clause and I accept the explanation of the hon. member for Assiniboia as to its intent. I shall leave it at that.

[Mr. Towers.]

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on motion No. 7 and the decision on that motion will, at the same time, dispose of motion No. 8, as suggested by Mr. Speaker this morning. Is it agreed?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion No. 7 (Mr. Lang) agreed to.

Mr. Deputy Speaker: At the same time, motion No. 8 is adopted?

Some hon. Members: Agreed.

Motion No. 8 (Mr. Lang) agreed to.

Mr. Deputy Speaker: We will now proceed to the discussion of motions Nos. 9, 11 and 12, but the vote will be taken separately, I gather from the remarks of Mr. Speaker this morning, unless the House has any disagreement? Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I want to indicate clearly that there will be a separate vote on each of these three motions.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I understood that Mr. Speaker provided for those three motions to be dealt with separately both as to discussion and as to vote.

Mr. Deputy Speaker: I believe I misunderstood. We will proceed with one motion at a time and will now take motion No. 9.

Mr. Les Benjamin (Regina-Lake Centre) moved:

Motion No. 9.

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in clause 16 by

(a) striking out line 31 at page 20 and substituting the following therefor: "16. The";

(b) striking out lines 36 to 40 at page 20 and lines 1 to 51 at page 21 and lines 1 to 18 at page 22.

He said: Mr. Speaker, this amendment and another one we submitted were an effort to reverse some of the backward provisions of the legislation. The legislation rewards fortune and penalizes misfortune. Those who have the highest income in the year of the pay-out get the highest pay-out: those with the lowest income in the year of the pay-out get the lowest pay-out. That has to be a backward principle.

Similarly, years of a deficit positions for the fund will obviously be years when grain producers are in the worst possible circumstances, or there would not be pay-outs to

cause deficits in the fund. Obviously, they are not in a financial position then to be assessed extra charges for expenses or anything else. What the government proposes to do in years of financial difficulty when the grain and income stabilization fund is in deficit is to increase the levy. That is the worst possible time for them to be paying out more money, so the purpose of the amendment is to make the levy a constant 2 per cent.

Variability based on the fund's surplus or deficit position could have a destabilizing effect contrary to the intention and purpose of the legislation, which is to stabilize. To reduce the levy when the fund is in surplus means the grain producers are in good financial shape, but that is when they can afford to pay a higher levy. When the fund is in deficit and farmers cannot afford the extra cost, the government proposes to raise the levy. Really, that is when farmers cannot afford to pay extra money for anything. That is when farmers will be in the worst position. This proposal is therefore backward.

● (1450)

Would it not be more logical to increase the levy when the fund is in surplus, thereby making the surplus even larger, so that when farmers draw on the fund in adverse years it will not go into deficit? Farmers, I am sure, would be willing to pay higher levies in good years and build up big reserves which will earn interest and further swell the fund, so that in bad years payments out can be made from the fund without incurring any deficit. The farmers could draw on the reserves which had increased in good years and to which both the producer and the government has contributed. You should not call on the producer to pay more into the fund at the worst possible time, when the fund is in deficit. If a fellow has been kicked in the face, why add to his troubles?

Why can we not turn this proposal around? Let the government accept half a dozen amendments which would make certain that a good principle is not applied backwards; I will put it that way. I would much rather the bill provided for levies to be higher in good years so that surpluses could be increased. It is time we built up our reserves so that when the fund is drawn on in bad years it will not be necessary to increase levies.

If I cannot persuade my colleagues on all sides to support my suggestion, I hope at least they will agree to allow the 2 per cent levy to remain constant. Two per cent should be the constant rate, at least until we have had several years' experience with the collection of levies and the government's contributions. After we gain experience with the workings of the fund and know whether the level of contributions is sufficient or insufficient, it will be possible for the government to come before the House and say, "We must make the following changes, based on experience." The present proposal calls on producers to make larger contributions to the fund when they can least afford to do so. I hope this motion commends itself to colleagues on all sides. I hope the minister likes what I propose and accepts the amendment, as that will save time, to the great relief of the government House leader.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I have examined the amendment proposed by the hon. member for Regina-Lake Centre (Mr. Benjamin). He said, I think, that his amendment would not turn around the provisions of the clause being discussed, although that is what he would like to do. Perhaps if he had introduced an amendment of that kind, my party could have taken a hard look at it and considered supporting it.

Basically, the clause as it now reads provides for a levy of 2 per cent on grain sales up to $25,000 under normal circumstances. The balance of the clause, which the hon. member proposes to amend with a deletion, would reduce the levy from 2 per cent to 1.5 per cent in any year when the interest to the credit of the producer exceeds one-third of that annual levy. Later there is provision for reducing the levy to 1 per cent. The final portion of the clause would increase the levy to 2.5 per cent in years when the interest charged to the fund by the government for moneys lent to the plan exceeds one-third of the annual levy. The hon. member for Regina-Lake Centre proposes to fix the rate at 2 per cent, without variation. He suggests this will not create hardship for producers, as in years when the crop is good they should pay a higher levy, and in years when the crop is bad, a lower levy.

Possibly his suggestion has merit. On the other hand, he proposes a reduction of one-half of 1 per cent which, in concrete terms, involves at most the sum of $125 in a year in which the producer sells $25,000 worth of grain. In these circumstances, I feel members of my party cannot support this motion. I hope the government will take a hard look at the bill in the immediate future. Let it glean from the various representatives of the farm organizations who may appear before the Standing Committee on Agriculture their ideas on how the program is working. After it has gained one or two years' experience of the program, let it tell parliamentarians what amendments it thinks ought to be made to the act, in order to make it more equitable for producers.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I appreciate the misgivings of many grain producers at the government bringing in a bill of this kind when grain sales are at an all-time high at all-time high prices. There is no guarantee that these sales will continue. The reason is drought in many other parts of the world which has created a shortage of grain supplies and driven up the price of grain.

It seems ironic that the very minister bringing in this bill wants to keep his fingers in the pockets of grain producers and acquire some of the dollars coming their way. He is doing exactly that under this bill. For that reason, we cannot support the amendment moved by our friend from Regina-Lake Centre (Mr. Benjamin) even though he is a good fellow. I cannct agree with his philosophy, that the government, or an agency of the government, knows a better way to spend money than the producers. He was putting forward one of the fundamental principles which divide political parties. The hon. member for Regina-Lake Centre is advocating a socialist policy. That is fine and dandy. But we on my side, who believe in the free enterprise system, do not want to take the cream off the top and thereby destroy the initiative of producers, to the detriment of the economy, the agricultural industry and the whole of Canada.

● (1500)

I do not believe that it is in our best interest to tell the prairie grain producers that any agency of government, or any government bureaucrat, is in a better position to spend the money. Actually this program put forward by the government would have been more acceptable had it been brought in at a time when grain was not selling at an all-time high.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this amendment put forward by the hon. member for Regina-Lake Centre (Mr. Benjamin) bears very heavily on some of the evidence we received from the farmers when we met with them over the week of meetings held in the west by the standing committee.

As I read the farm evidence and heard the farmers speak, they were putting forward a philosophy that when things were going well for the farmers they wanted to put more into the fund, and when things were going badly for them, they hoped they could put less into the fund. This is what I think the hon. member for Regina-Lake Centre is trying to put forward. However, in amending the government's legislation the best he could come up with was a 2 per cent constant levy.

In support of what the hon. member for Moose Jaw (Mr. Neil) said earlier, I suggest very strongly that if the government had the wits that it should have had when it saw what the farmers were saying, it should have changed this variable levy from the way it has it, and reversed it.

At the present time under the government legislation, whenever the fund is doing well—in plain language there is a lot of money in the fund—and collecting too much interest from the government, it reduces the levy. Whenever the fund is doing poorly and there is not enough money to meet the interest requirement that the federal government loans to it, it raises the levy.

What the government has done in this legislation is the exact opposite of what the farmer wants. The farmer would not mind paying more money into the fund when he has the money, in the hope that he would not have to pay as much in when he does not have it. This is the philosophy of the motion of the hon. member for Regina-Lake Centre that we support. However, the way it comes out in his amendment, he wants a fixed levy year in and year out. This makes the proposal of the hon. member for Moose Jaw very practical and acceptable. He is proposing that as soon as possible after you put this bill in you see if you can work out a proposal to make it a variable levy, and reverse it to the variable type of levy you now have.

I agree that that approach is better than what the hon. member for Regina-Lake Centre is proposing. However, I come back to the basic criticism that this proposal made by the hon. member for Moose Jaw, which is acceptable to the farmers much more than what the government is proposing and what the hon. member for Regina-Lake Centre is proposing, will only work if it is an individual plan. An individual farmer then knows that if he puts more money in, he individually, some time in the future, will get more money than he needs. This buttresses the feeling of the Progressive Conservative party on this legislation. If this legislation is going to work and do any good, it must eventually be wiped off the books and replaced by the type of stabilization income legislation which is based on the individual farmer.

I would like to emphasize this to the government members even though we cannot do too much about it at this particular stage of the bill's procedure through the House. In this debate they have heard it clearly debated by the hon. member for Moose Jaw and the hon. member for Regina-Lake Centre. On the basis of philosophy the government's position is the worst position of all.

We are supporting the government position because at least in the mathematics of the scheme it is closer to what we want, which is a variable type of levy. However, the variation should be in reverse. It does not do much good to propose this at this stage, but at least any person who reads this debate will know the difference.

In essence, we will support the government position because it is a variable. On the basis of the mentality that they use in the civil service to judge these plans, it is more actuarially sound. However, it does not meet what the farmer wants. The hon. member for Regina-Lake Centre is trying to get what the farmer wants, but does not know how to do it. We have proposed ways in which it can be done. However, to make it work, I suggest it will have to be made into an individual plan.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I want to make a few comments on this. The Conservatives have said that they will support the government. The government position is not to have this on an individual basis. If there is to be an increase in the levy obviously it should be in a good year when the farmer is capable of making the payment, and not the reverse. It is stupid to say that because the farmer is having difficulty we will raise the levy. The members of the Conservative party see some merit in making it equal, so that it will at least not work in reverse.

I may have failed to realize something in the same way as did the hon. member for Regina-Lake Centre (Mr. Benjamin). It is my opinion that the way it works is that where the expenses are the highest, you have the highest levy, and where your income is the highest you have the lowest levy. That seems to be a complete reversal of stabilization. You make the highest payment when you have the least money and the lowest payment when you have a lot of money. That seems to be backwards. I cannot see any reason why the Conservatives are not in favour of stabilizing it so that we understand what happens from year to year, and we can look at the over-all payout.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) referred to the individual farmer. If the government were not so pigheaded, that is the way it would be operated.

We heard from the Manitoba deputy minister of agriculture, Mr. Janssen, a very astute economist and very practical person in terms of agriculture. The hon. member for Qu'Appelle-Moose Mountain may be interested in knowing that he suggested this should be on an individual basis. He said that in Manitoba all they had to do was add another three columns to their crop insurance program because they had already worked out the inputs into the cost of production. They were also aware of the inputs to the

income side. This is all worked out. All they need to do is add another three columns and they will be able to keep the books for the federal government at absolutely no administrative cost. This would mean that the more you put into the program, the higher your withdrawals could be. It would in effect change this to an income stabilization insurance rather than the net income that we are trying to stabilize for all agriculture.

● (1510)

If we were really interested in individualization we would be concerned about the individual pay-in, the levy. This could be varied. I am sure the hon. member for Qu'Appelle-Moose Mountain would agree that in that case the higher a person's income the more he would be paid—it would be a cash flow related to the situation of the individual farmer rather than one affecting the whole of western Canada, or at least that part which is covered by the legislation before us. I am sure most members would agree that this would be a more logical type of stabilization program upon which to embark.

I should not be surprised if the hon. member for Assiniboia (Mr. Goodale) agrees with me that we are not likely to accomplish much with this bill. There is not much merit either in defeating it or in passing it. It is not really important one way or the other. It really affects the Minister of Transport (Mr. Lang) most because, being of German descent, he had the idea a long time ago that he would do something about stabilization and now he intends to do it, even if it is only to give a title to a bill. I have no doubt he is aware that if it is the intention to stabilize farm income in any effective way it would be necessary to call for heavy deductions when income is high and reduce the levy as income falls. Then, when income reached a certain level we would begin making a payout. Thus, over a ten year period, we would have stabilized income at a certain level. But this is not what is being done.

My hon. friend, through trying to make the best of a bad arrangement, said we would stabilize the levy so that at least the same amount is paid all the time. This is an accepted practice. We have always done this in the past. A farmer who insures his barn pays the same amount whether he is expecting it to burn down or not. If we are to operate on this basis let us at least keep the levy stable so that farmers know what it is. To make the levy highest just when the farmer is reaching the point of a payout is an odd way of bringing about stabilization. It seems to me there must be a break-even point at which the payout would equal the premium.

The amendment is a good one though, because it equalizes the premiums as between good years and bad years. Anyone familiar with farming is aware that when the net cash flow decreases to a point at which costs are higher than receipts, farmers go to the government and to all government agencies asking for moratoria on the payments due on their land, machinery, and so on. Parliament has provided such a moratorium on a number of occasions, and we asked the farmers to make two payments on their land, machinery, and other debts when their cash flow was sufficiently high to enable them to do so.

The farmer is likely to think we are more foolish than we are if we believe that when we give him a moratorium on everything else we can continue to charge him an insurance premium higher than that levied in the years when he can afford to pay it. At least it would be better to adopt a neutral position by maintaining the premium at 2 per cent in good and bad years alike.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to make three points briefly in response to the comments made on this motion. First the point raised by the hon. member for Moose Jaw (Mr. Neil) and others about the provisions in the bill to ensure the actuarial soundness of the plan. Actuarial soundness is very much adhered to here, and that is why the provisions to which he and others referred have been included.

I have been asked to predict what the rate is likely to be in the future, say, five, 10 or 15 years down the road. Let me point out that the bill does provide for the establishment of an advisory committee of producers with a mandate to look at anything in the legislation, or in the regulations and their administration, to ensure the plan is functioning well and in the best interests of the grain producers. That advisory committee could well look into the level of levy rates applicable. Indeed, I hope they could take this matter under early advisement. At any rate, provision has been made for the consideration of this question of fees paid by producers.

I wish to make one comment about the individualization of the plan. It seemed to me that in the course of our discussions in the committee stage two different concepts of individualization were advanced. One of them was put forward on behalf of the New Democratic Party, and observations of a similar vein were made by the National Farmers Union. What they were talking about boiled down to a plea for a kind of guaranteed income provision. Such a proposal is really quite different from a plan to stabilize proceeds from grain production. A guaranteed income scheme may be something that is a very laudable objective for the future, but it does not particularly or peculiarly relate to the grain industry. It is a concept which, I suggest, embraces broad social policy; it is not one of narrow economic import having to do with one particular economic activity, namely, the grain industry.

● (1520)

On the other hand we have a proposal for individualization, which is the complete reverse. I think the hon. member for Moose Jaw as well as one of the witnesses before the committee, if I am not mistaken the Manitoba Farm Business Association, referred to the keeping of individual accounts, and this is something quite different from a guaranteed income program. If I may paraphrase the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), it boils down to a situation where each individual farmer bets against himself and his own abilities. This is quite different, I suggest, from the proposal that some of the New Democrats and others who appeared before the committee made.

My only comment about this final approach of keeping individual accounts is that, from the best investigation that we have been able to make in calculating what this

means in terms of government payments in and payments back to producers, the level of payment provided under the plan would be considerably less than that which is presently proposed in the legislation. This is why that approach has not been adopted.

To return to the major point, this amendment would take away from the actuarial soundness of the plan, and for that reason alone I would thank hon. members of the opposition for agreeing with us that this particular proposal should be defeated.

Mr. Peters: Mr. Speaker, may I ask the parliamentary secretary a question before he sits down. He says that the actuarial soundness of the plan will be destroyed by stabilizing the levy at 2 per cent. Is he indicating that there are more lows than highs in the cash flow of western farmers, or that there are more years when the cash flow is below the cost of production than there are when it is above it? If they were even, 2 per cent is what we would come up with, because there would be stabilization. Is he indicating that there are more years when the farmer is in difficulty than there are years when he is in an advantageous position, or is he saying that the dips are more extensive than the rises in farm income? I am curious to know which of these two created the actuarial difficulty.

Mr. Goodale: Mr. Speaker, to respond briefly to that question, it seems to me that in putting in this particular provision we are not pre-judging the operation of the plan one way or another. We are simply adding a safeguard provision preventing the fund from becoming unreasonably large, and therefore being a burden on producers because their money is tied up in it for no good reason. At the same time we are preventing an inordinately high deficit so that the producer is not burdened with high interest payments; it is as simple as that. In putting in the safeguard provision we are not attempting to pre-judge how the plan operates.

Mr. Peters: Have we in fact carried out an actuarial study? This raises another point. The hon. gentleman indicated that the 2 per cent, which I gather is the mean, does not necessarily, spread over the last 20 years, cover either the highs or the lows. It seems to me we are not going to have too much, that we may have too little, which would mean we would have to change the amount being paid in. The hon. member says that the mean will not produce the kind of fund we need either for covering the deficits or for creating surpluses. I think the actuarial work could be done in order to indicate whether or not we have arrived at the mean.

Mr. Goodale: Mr. Speaker, we have in fact done some very careful actuarial studies, and this is why we have a provision in the bill that deals with the situation in that way. This whole discussion was carried on at some considerable length in committee. At that time we covered the point to the satisfaction of most members there.

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

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour of motion No. 9 will please say yea.

[Mr. Goodale.]

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion lost on division.

Motion No. 9 (Mr. Benjamin) negatived.

Mr. Deputy Speaker: The House will now proceed to consideration of motion No. 11, in the name of the hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Benjamin: I will move it on his behalf, Mr. Speaker.

Mr. Les Benjamin (Regina-Lake Centre) (for Mr. Nystrom) moved:

Motion No. 11

That Bill C-41, an act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended in Clause 17 by striking out lines 42 and 43 at page 24 and substituting the following therefor:

"maximum amount prescribed by subsection (6), with a view to including 90 per cent of eligible grain sale proceeds within the plan and, in such case, the maximum".

He said: Mr. Speaker, according to my understanding—which may be insufficient, but to the extent that I do understand this part of the bill—I believe it was the stated intention of the government with respect to coverage of the plan that the consequent maximum eligible grain sale proceeds for each producer was to be 90 per cent of the grain sold up to a ceiling of $25,000. I believe that was the stated intention of the minister in committee.

I am certain the hon. member for Assiniboia (Mr. Goodale) and other hon. members opposite will appreciate how helpful we are in making sure that what the government says it intends should be in the bill is in the bill. Thus I assume that this amendment will be accepted by the government, and that hon. members opposite will welcome all the aid and comfort that we have given them in this particular instance.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I listened with interest to what the hon. member for Regina-Lake Centre (Mr. Benjamin) said he thought was the intent of the hon. member for Yorkton-Melville (Mr. Nystrom). It is very unfortunate that the hon. member for Yorkton-Melville is not in the House to explain his motion, just as it is unfortunate that the minister in charge of the Canadian Wheat Board is not here to explain some of his amendments.

I have looked at this amendment, as have other members of our party, but for the life of me I cannot understand what its effect is. The clause that it attempts to amend provides for the governor in council to increase the maximum beyond $25,000 if the governor in council thinks, under the circumstances, that it would be in the interest of

the producers to do so. This amendment, as I read it, limits subparagraph (7) to 90 per cent of $25,000. Unless we can have a further explanation from someone, I cannot see for the life of me that this amendment makes sense, and we certainly cannot support it.

● (1530)

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, is there going to be a statement from the government side on this, because we are a little in the dark about the meaning of this amendment?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member for Regina-Lake Centre (Mr. Benjamin) has properly dealt with this amendment in a reasonable fashion. He explained that over the long haul we would like to see this bill cover something in the range of 90 per cent of the grain sale proceeds in western Canada at any particular moment in time. That would be a worth-while objective. Of course if there should be 100 per cent participation I suppose to some extent that would be absolute perfection, but our initial and, as the hon. member said, our publicly stated target for the legislation is that it will include something in the range of 90 per cent.

If hon. members would look back at the legislation they will see, if they study sub-clause 7 of clause 17, that the particular sub-clause with which we are dealing relates to consultations between the governor in council and the advisory committee of producers, and really I suppose this particular amendment does nothing more than give some guidance to the advisory committee. It certainly also gives some guidance to the governor in council in terms of the adjustment in this level of $25,000 referred to in sub-clause 6 of clause 17. It is really nothing more than an attempt to make explicit in the legislation what had been our previously stated objective. There is there, I submit, some guidance and instruction for those who later on may come to the conclusion that the level of $25,000 is too low.

Mr. Benjamin: Mr. Speaker, may I put a question to the parliamentary secretary? I assume his statement means that the amendment therefore is acceptable to the government.

Mr. Goodale: Yes; we can support this type of amendment, Mr. Speaker.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question? The question is on motion No. 11. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner (London East)): I declare the motion carried.

Motion No. 11 (Mr. Nystrom) agreed to.

The Acting Speaker (Mr. Turner (London East)): We will now proceed to the consideration of motion No. 12.

Mr. Les Benjamin (Regina-Lake Centre) (for Mr. Nystrom) moved:

Motion No. 12.

That Bill C-41, An Act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be amended by adding the following new Clause immediately after line 9 at page 42:

"45.1 The Minister shall, within three years after the coming into force of this Act, undertake a comprehensive review of the operation of the Act and its effects on western grain producers, and shall forthwith submit a report to Parliament thereon."

He said: Again, Mr. Speaker, we are trying to be very helpful to the government and to assist the minister in charge of the Canadian Wheat Board to make certain that this legislation, if and when it becomes law, is reviewed and examined carefully and as often as possible. Therefore we are adding a new clause to the effect that the minister shall, within three years after the coming into force of the act, undertake a comprehensive review of the operation of the act and its effects on western grain producers, and shall forthwith submit a report to parliament thereon.

Personally I would have preferred something a little more specific in the amendment which would provide that parliament shall debate that report for a period of two or three days. However, I suspect that had we gone that far the minister would have become balky and would not have looked with pleasure upon the amendment. Therefore we have worded it in this manner so that the requirement on the minister will be to submit a report to parliament. Since the reports of many boards and commissions are submitted to parliament annually, this should not be a problem for the government.

I hope my confidence is not misplaced in that the government will see to it that the report not only is submitted to parliament but that it will ask for a reference of the report to the Standing Committee on Agriculture so that the committee can review the report and make an assessment with regard to the efficacy of the program, reporting back to parliament in respect of any changes which should be made to the program. This amendment would provide the avenue by which to do this. We must leave it to what we hope are the good intentions of the government in respect of this legislation.

We hope the government will do more than just submit a report to parliament. We hope it will ask the committee to comment on the report after giving it a thorough study. This is undoubtedly one of the most complicated pieces of legislation that has ever been brought forward. I find the income tax law even more understandable than this bill, and that is saying quite a bit because my comprehension of the income tax law is not too good. For that reason, if nothing else, the experience gained in the first three years both by the farmers and the government will need to be examined and assessed very carefully.

I predict that the minister himself after that experience, and the report he makes to parliament, will be anxious to make some pretty fundamental changes to the legislation because, unless I miss my guess, a large number of grain producers after being in the program for two or three years will decide it is not really accomplishing what all of us desire, namely, the stabilization of the net farm income from grain sales. It will not accomplish this for those who need it the most, the small and the middle sized farmer. It will not make too much difference to the well-to-do large farmer. Our concern must be for the small and middle-sized farmer who has the most difficult row to hoe when his net income drops drastically in two or three years out of every five or six years. So I commend this motion to the

House, and I hope the parliamentary secretary to the minister will be good enough to respond and say that this motion is acceptable to the government.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I do not think there will be any question about the government's willingness to accept this amendment because I believe when the three years are up the amendment will be redundant. There will be a new government sitting on the right of Mr. Speaker, which will bring in a proper income stabilization bill based on the right of the individual farmer to have an income stabilization fund into which both he and the government can contribute.

● (1540)

This bill is primarily and almost completely designed in the interests of the Department of Finance. If it brings any benefits to any farmer, they are only accidental. Therefore if we review it in three years we will probably find that the bill is bad.

I honestly hope that the viewpoint of the prairie farmers who are affected by this legislation will be accepted by people in all of Canada, in the rural areas as well as in the cities, and that we will get rid of this government which has been cluttering up the landscape for the last 12 years and not doing a single thing to help agriculture. All its members have given us is promises, roaring and bellowing, pawing of the ground, twisting and shaking of tails, but no record of performance.

This bill is a classical example. The rigidity and inflexibility of the minister in charge of the Canadian Wheat Board is so clearly apparent in this bill that it is a wonder his colleagues let him bring it back to the House. When we took this bill to farmers in western Canada, every group of farmers spoke in favour of an individual approach to this type of legislation, not this area payout concept under which you pay in a known amount but you do not know what your return will be. The kind of program that farmers accept today is one in which they know what they will pay in and what the return will be.

This bill is based on a complicated formula which the farmer will not be able to understand, and I doubt if there is a single person sitting in the House today who understands it. The only person who seems to understand the bill clearly is the minister himself, but when he says he understands it I really become worried.

So the first point I want to make is that we should accept the motion which calls for a review of the legislation in three years to try to improve it. But I hope and trust that three years from now a new government will be sitting on the other side which will get rid of all this complicated stuff and simply put forward a bill under which farmers will pay in their dollar, the government will pay in its contribution, and farmers will know what they will get when they need it because they themselves will decide what they want, and they will not be able to take out any more than they have put in. Under this type of individual approach the farmer will accept the program, and the government will benefit from it. Because farmers will get their money during periods when the economy is poor, it will do a lot to stabilize farm incomes in this country.

[Mr. Benjamin.]

Farming is no longer a small item in the economics of our country. Today farming is a large item in the total income, and 10 or 15 years from now it will play an even larger part than it does today. Certainly by the end of the century the great resource industries of Canada will be many times greater than they are today.

If the government does not move now to stabilize incomes, not only of grain farmers but of all producers whose income goes up and down in wide fluctuations, the country will suffer. This bill was supposed to be an effort on the part of the government to try to stabilize this volatile grain activity. I will suggest right now that we must do our best to try to improve the program to make it acceptable to farmers so that they know what return they will get on the money they paid in. When they buy crop insurance, which is an insurance against weather, they know on an actuarial basis that is sound what they must pay in, and they know what they will get out of it.

According to this bill, farmers will get paid under a formula. Some year when they need the money desperately, they will not get it because the formula will say they are well off, and in other years when farmers have all the money they need, they will receive a payment because the formula will say they are broke.

This formula is just academic nonsense put into legislation which we in the House have to swallow. I certainly support the idea of reviewing it in three years, but it would be simpler to throw it out in three years' time when we form a new government and put something better in its place.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I think it is of fundamental importance that we have an opportunity to review this legislation in three years, but it is unfortunate that the government should bring in legislation which needs to be reviewed in three years. This demonstrates its weakness.

One of the shortcomings of the plan is that the $300,000 to which I referred earlier today will be used in large part on inspectors travelling to western Canada to assess the income and expenses of prairie grain producers.

We tried to tell the minister that he should bring in a program that would be closely integrated with crop insurance, because we all know that in the three prairie provinces and in British Columbia inspectors are ready and available to go out into the field to make an assessment of whatever damages have occurred in farming.

I suggested to the Minister of Agriculture (Mr. Whelan) that there is irony in the fact that the legislation before us is being proposed by the minister in charge of the Canadian Wheat Board, but that it comes under the administration of the Minister of Agriculture.

I also suggested to the Minister of Agriculture that he will have to exercise a great deal of care in the administration of this legislation primarily because of the fact that western Canadian producers guard their privacy jealously. As I said, there are inspectors going on farm premises from the Prairie Crop Insurance Commission, and now other inspectors will be going there under the new stabilization program. I fear that farmers will become very irate at that.

I also suggested that unless the Solicitor General (Mr. Allmand) takes all the guns away from prairie producers, they will start shooting and, since the Minister of Agriculture is somewhat bigger than the minister in charge of the Canadian Wheat Board, he might make a better target and might be the first one to be shot. It is not because we on this side are particularly benevolent people that we would hate to see the Minister of Agriculture get shot, but because the next minister might be worse.

● (1550)

It would be a great advantage if the government would accept this motion and allow the survey or a reasonable debate to take place in three years' time, so that a proper assessment of the program could be made. By then farmers and producers would have an opportunity to make their views known in a firmer manner than they have to date. I hope the government sees fit to accept this motion.

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, the motion we are now debating is one that I can support despite the fact that it is rather unnecessary. I think it is superfluous; I think it is irrelevant and redundant. The entire clause 45 states clearly:

> The minister shall, on or before the 31st day of August next following the end of each year . . . submit to parliament a report on the administration of this act including a report on the state of the stabilization account as of the end of that year.

The provision is in there now; there is no question about that. Clause 37 of the bill deals with the advisory committee. This is made up of producers, and it will be their responsibility to examine the operation of this plan as it gets under way.

I agree with the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) who used the word redundant. The rest of his speech was a rehash of the debate on second reading. Certainly by the end of three years we will have debated this bill and will have subjected it to a thorough review in terms of the next federal election. I am sure by that time some of our friends in the official opposition will regret the negativism that they displayed in dealing with this bill and the whole concept of stabilization of farm income.

I was surprised and disappointed to hear the hon. member for Qu'Appelle-Moose Mountain say that financing is a small item in the economy of our country. I am sure he misstated what he knows to be a fact about western Canada. This bill is aimed at bringing stability to the entire western economy, but the whole problem starts in the west with the agricultural economy. His plan as far as an individual insurance plan is concerned is another alternative and it may be a good one, but it is totally different from the plan before us in this bill.

If my hon. friends in the New Democratic Party want to debate this very small motion which really adds nothing, if it will make them feel any better for having gone around Saskatchewan four or five years ago condemning this bill or anything along these lines, if it will salve their conscience by debating this motion, I will be pleased to support it.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rather enjoyed the debate we had today. I was disappointed at the last minute when the hon. member for Battleford-Kindersley (Mr. McIsaac) had to bring politics into it. Until then it was a good and comprehensive debate.

Some hon. Members: Hear, hear!

Mr. Neil: He used some pretty strong adjectives and spoke of the amendment as being superfluous, irrelevant, and redundant. Then he want on to say that he and his party were prepared to support it.

Certainly we on this side of the House are prepared to support the amendment because it refers to the review of a bill that is very complicated and is almost incomprehensible to the farmers and producers of western Canada. I think it is important that some time in the next three years the various farm organizations have an opportunity to appear before the committee and review what has taken place and whether the bill is serving its purpose or not. I am pleased that the government is prepared to support this, notwithstanding the hon. member's remarks. I see it is two minutes to four o'clock, Mr. Speaker, and in these last moments I would suggest that we proceed with the voting, dispose of the bill at report stage, and speak on it later at third reading.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, before the hon. member for Battleford-Kindersley (Mr. McIsaac) made the remark that we have talked against the bill and the idea of stabilization across the country, I would have been quite happy to have stayed in my seat and let this go to a vote. Now I have no intention of letting it go to a vote.

Some hon. Members: Oh, oh!

Mr. Peters: I do not care if it ever passes, Mr. Speaker.

Mr. Goodale: You never did.

Mr. Peters: That is perfectly true, I never did. The remarks that were made about this particular amendment are probably true, that it is a minor amendment, that farmers would have an opportunity of looking at the legislation again, and that in the light of that examination there would be a change. But the hon. member for Battleford-Kindersley indicated that we have been opposed to the idea of stabilization.

The Acting Speaker (Mr. Turner (London East)): Order. The hon. member for Timiskaming (Mr. Peters) has the floor. If other hon. members want to talk they should get behind the curtains.

Mr. Peters: The hon. member indicated that we were opposed to the idea of stabilization of incomes and I think that has to be answered. I agree that this bill does not do that. The statement was made that we were opposed to subsequent bills, which is true, but we had a very good reason for being opposed to them. We eliminated one bill which the courts found to be unconstitutional. It had something to do with PFAA funds. For that reason I think there should be more discussion of this bill. I am sure there is going to be opposition to this bill in western Canada.

Items Stood

It would take me more than a few minutes to indicate the differences between this bill and the actual stabilization or equalization of income over a given period of time, Mr. Speaker, so I would therefore call it four o'clock.

● (1600)

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker, I wonder if the House would give its unanimous consent for dealing with and disposing of the clause previously being discussed, as that would save lots of time.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the hon. member's point of order is constructive, and the official opposition is prepared to prolong this debate for the period necessary for dealing with that particular clause.

The Acting Speaker (Mr. Turner (London East)): Is this agreed?

Mr. Peters: Speaking on the point of order, Mr. Speaker, I am prepared to give consent to completing the bill at report stage without further debate, but want the right to speak on third reading as I am surprised at some of the remarks made by the hon. member for Battleford-Kindersley (Mr. McIsaac).

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Agreed.

Motion No. 12 (Mr. Nystrom) agreed to.

Hon. Mitchell Sharp (for the Minister of Justice) moved that the bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Turner (London East)): When shall the bill be read the third time?

Mr. Baker (Grenville-Carleton): At the next sitting of the House.

The Acting Speaker (Mr. Turner (London East)): Order, please. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills.

PRIVATE MEMBER'S PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Turner (London East)): Item 8, in the name of the hon. member for Windsor-Walkerville (Mr. MacGuigan). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item No. 34, in the name of the hon. member for Yukon (Mr. Nielsen). Shall the item stand?

Some hon. Members: Stand.

[Mr. Peters.]

The Acting Speaker (Mr. Turner (London East)): Item No. 4, in the name of the hon. member for Kenora-Rainy River (Mr. Reid) shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item No. 10, in the name of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item No. 24, in the name of the hon. member for Hull (Mr. Isabelle). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item No. 37, in the name of the hon. member for Trinity (Miss Nicholson). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item No. 38, in the name of the hon. member for Nipissing (Mr. Blais). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item No. 41, in the name of the hon. member for Toronto-Lakeshore (Mr. Robinson). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): I see the hon. member for Toronto-Lakeshore rising to speak on item No. 42.

* * *

NON-SMOKERS RELIEF ACT

MEASURE TO PROVIDE RELIEF TO TRAVELLING NON-SMOKERS

Mr. W. Kenneth Robinson (Toronto-Lakeshore) moved that Bill C-242, respecting relief to non-smokers in transit, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, I am pleased to note that Bill C-242 has finally come before the House of Commons for debate. We are to discuss a measure respecting relief to non-smokers in transit.

The purpose of this bill, as set out in the short and long title, is to give relief to travelling non-smokers by stipulating that railways, planes and buses under federal jurisdiction be required to provide them with separate seating accommodation, since there is medical evidence to the effect that secondary smoke inhalation not only causes distress to the non-smoker but could jeopardize his health, particularly if he suffers from heart disease or a respiratory ailment.

The purpose of this bill is simply to insist that non-smokers actually have rights, that they are not second-class citizens and that they should not be forced to breathe

in somebody else's tobacco smoke. Obviously my bill, which specifically seeks to protect non-smokers by requiring that all air, marine, rail and road carriers under federal jurisdiction be required to provide non-smokers with separate seating accommodation, will not by itself guarantee the rights of non-smokers, for we again come up against the old problem of jurisdiction, and I think it is generally agreed that most of the legislative efforts on behalf of non-smokers must come at the provincial or municipal level. Nevertheless, this bill does strike at an area which is within federal jurisdiction and should, hopefully, set an example as a step in the right direction.

I would like at the outset to pay tribute to the former member from Surrey-White Rock, Barry Mather, who introduced a similar bill during the last parliament. I had the pleasure of serving with the former member on the Health, Welfare and Social Affairs committee during the twenty-eighth parliament and I came to know his deep concern for the subject. I am sure he would be extremely pleased by any action this House may deem to take with regard to providing relief to non-smokers.

This bill should not be interpreted as an anti-smoker or anti-smoking bill. It is not designed to try to prevent those people who wish to smoke from smoking, nor is it an attempt even to warn those who do smoke about the dangers of smoking. The Department of National Health and Welfare has for the last several years been conducting a program in this area. Bill C-242 is concerned solely with the non-smoker and the effects tobacco smoke has on him. For years almost no attention was paid to the plight of non-smokers and, indeed, the non-smoker himself did little or nothing in his own defence.

In the past few years we have seen a drastic change in attitude. No longer are non-smokers suffering in silence. The numerous non-smoking groups and their spin-offs which are now peppered across Canada and in the United States are testaments to this fact. These groups such as ASH, action on smoking and health; FANS, fresh air for non-smokers; GASP, group against smokers pollution; and the Non-Smokers' Rights Association were not even in existence before 1970; but now every province has at least one such group actively operating.

Undoubtedly one of the main reasons for this tremendous growth of militancy among non-smokers has been recent scientific studies which have shown tobacco smoke to be injurious to the health and a source of distress and illness not only to smokers but also to non-smokers. The effects of tobacco smoke and of the pollutants it contains on non-smokers can be influenced by many factors, such as the amount of pollutants found in the air; the ventillation available for the removal or dispersion of smoke; the proximity of an individual to the source of pollution; the length of exposure to the pollutants; or the health of the person so exposed. It is therefore impossible to say what the effect of tobacco smoke will be with regard to a particular individual. However, broad generalizations are possible.

Besides the general discomfort suffered by many individuals exposed to an atmosphere contaminated with tobacco smoke, diminished vision, short breath upon exertion, psychologic stress on patients with heart diseases, and allergic and irritative reactions may result.

Perhaps one of the most important sources of information on the effects of tobacco smoke on non-smokers has been a yearly report of the United States department of health, education and welfare on "The Health Consequences of Smoking", commonly referred to as the Surgeon General's report. The 1975 report which has been just released devotes an entire section to what the report refers to as "Involuntary Smoking."

Although the report discusses the subject using the most technical medical terminology, one point was made which I feel is very pertinent to this debate today, that is, that a survey conducted on symptoms experienced by travellers on both military and commcercial aircraft showed that over 60 per cent of the non-smoking passengers and between 15 per cent and 22 per cent of the smokers reported being annoyed by other passengers smoking, even though the aircraft were well ventillated and the level of measurable pollution low. This really confirms something which I long suspected, that is, that tobacco smoke in many cases is found to be annoying even by those who smoke. For this reason I believe that most smokers are themselves sympathetic to the kind of legislation this bill proposes.

I know that a number of hon. members, including the Minister of National Health and Welfare (Mr. Lalonde), wish to speak this afternoon on this subject, so I will conclude my remarks not wishing to be accused of talking out my own bill. However, I would like to add that if members should decide to send my bill to committee, this would provide the opportunity for both members and ordinary citizens who have expressed a keen interest on this subject to make their contribution.

Finally I want to mention my intention of putting forward a couple of amendments to the bill as it now reads. These would cover responsibility for enforcement and penalties, and also a provision to ensure a reasonable minimum size for the non-smoking area. In conclusion, Mr. Speaker, I would again like to stress my belief that this type of legislation is not only wanted, indeed demanded, by many non-smokers today, but is also completely acceptable by most of those who do smoke. Finally, Mr. Speaker, I happen to be a non-smoker, and will therefore be affected as much as any by this legislation.

● (1610)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am honoured to have the opportunity today to take part in the debate on this very important bill that has been presented by the hon. member for Toronto-Lakeshore (Mr. Robinson). I have known the hon. member for many years prior to the time that both of us came to this House. It is interesting to note that the concept of the bill provides some balance in terms of recognizing rights, using that word in the broad sense.

The bill, and I think the hon. member put it very forcibly, recognizes that non-smokers are not second class citizens. They have a right to comfort in terms of travel and in the use of accommodation. The bill implicity recognizes the fact that there are some in the community who use tobacco and who, by legislative enactment in terms of the areas within which this bill is designed to operate, might have that right, again using that word in a broad sense, taken from them.

It is very interesting that this bill should have the balance it does. I commend the hon. member for Toronto-Lakeshore for displaying this sense of balance and justice.

The hon. member for Toronto-Lakeshore is a very distinguished member of the bar of the province of Ontario. For approximately two years I had the very distinct privilege of living in the same house as the hon. member for Toronto-Lakeshore. I found him at all times concerned about the rights of his neighbours. His habits were sometimes strange. He was somewhat nocturnal. He used to come in at varying hours of the day and night and would awaken all of us when he came in. However, he recognized that those of us who did not have the same habits should indulge ourselves in awakening him the next morning. He never chastised us. On all occasions he was a very balanced, hard-working individual. He has carried that into the House of Commons. I particularly commend him today with regard to the balance in terms of rights which this bill represents.

There are members of the House of Commons who adversly feel the effects of tobacco. We who smoke, and I have to identify myself as one who smokes, have to recognize this among our colleagues. The hon. member for Ottawa West (Mr. Francis) is known far and wide for his delicate nasal passages. I am always prepared not only to recognize his right to speak but his right to breath in comfort, and to participate in the work of the committees of this House in comfort. That is a right we should recognize.

We cannot legislate good manners. We cannot legislate consideration for others. However, the way in which this bill has been presented goes some way in the public sense of indicating the concern of this, the highest court in the country, in recognizing certain basic rights.

It is interesting to note that Air Canada and CP Air have in relatively recent times adopted the practice of recognizing the right to comfort of non-smokers. This bill, balanced as it is, will further that cause.

I have received a large number of letters from my constituency expressing interest in this kind of legislation. I do not want to gainsay the efforts of the hon. member for Toronto-Lakeshore, but enforcement will be a problem. I am glad that amendments will be considered.

Many of my constituents have expressed great concern about this problem of recognizing one's right to comfort in a public place. I have brought this interest to the attention of the minister. I have a large number of letters. I do not intend to read all of them. However, I wish to refer to a letter from the office of the Minister of Transport (Mr. Lang) replying to some earlier correspondence with regard to support of this kind of legislation.

Referring to my constituent, the executive assistant to the minister commended my constituent for her interest in the creation of non-smoking areas in air terminal buildings, and indicated that this has been recognized by the Minister of Transport. My constituent was further advised that the Director of Administration and Research had indicated that the matter was being studied by the department. However, there was a certain amount of hesitancy expressed in the letter as follows:

It should be emphasized that there is no quick or easy solution to this problem.

I suggest that all hon. members, whether they smoke or not, and whether they accept or do not accept the hon. member's statement about the injurious quality of tobacco both to the user and those in close proximity it really makes no difference. I suggest that all hon. members should support this legislation. This is a step in the right direction because it considers certain basic rights, the right to comfort, and the right to enjoy a public place without inconvenience or danger to health, if there is a danger in terms of a person being in close proximity to a smoker.

Having a firm knowledge of the backgroud of the hon. member who proposed this piece of legislation, his concern for the rights of others in terms of his work at the bar, his work as a trained and highly qualified social worker, his work as a municipal politician before coming to this place, and now knowing him as I know him here, I commend him for the foresight he has had and the great public spirit of concern he has exhibited in bringing forth this piece of legislation. I am happy to support it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as another of a rapidly growing majority of non-smokers I am reluctant to make remarks that might sound like a lecture to smokers. However, I am happy to endorse the views that have been expressed by both the hon. member for Toronto-Lakeshore (Mr. Robinson) and the hon. member for Grenville-Carleton (Mr. Baker).

This bill, as the previous speaker said, contains in it a commendable element of balance and fair play. I am pleased to understand that the government is willing that the bill go to the Standing Committee on Health, Welfare and Social Affairs. I hope it will be the bill itself that is sent and not just the subject matter of it.

I appreciate the reference that the hon. member for Toronto-Lakeshore made to our former colleague, Mr. Barry Mather, who represented the constituency of Surrey-White Rock in this House. I know he will be pleased to learn that he has been extended this compliment by the hon. member for Toronto-Lakeshore in presenting his bill. He will be even more pleased if it receives the approval of this House this afternoon.

● (1620)

It is interesting that despite all the money spent in advertising smoking as though it were helpful and pleasant—and we do live in a society in which advertising appears to have many unfortunate effects—there should be a growing consciousness with respect to the other side of the coin. I hope a piece of legislation such as this will not only provide both smokers and non-smokers with cleaner air to breathe when they are travelling, but that it will increase the realization that one does not have to smoke in order to be a part of twentieth century society. To avoid any risk of talking this out and preventing the bill getting to the committee, I shall keep my remarks very short.

However, may I say that it puzzles me when getting on an Air Canada plane to discover there are non-smoking areas in the economy class but not up front where the wealthy sit.

Mr. McGrath: Now we know you travel first class.

Mr. Knowles (Winnipeg North Centre): Usually I know what the first class section is like because I have to move through it, but there have been occasions when Air Canada has oversold its economy class seats and I have been put up front, as have other hon. members. But if you travel in the economy section you drink only what you can pay for and, in certain seats, you cannot smoke. But if you are wealthy enough to ride first class you can have all the free drink you want and there is no restriction on smoking.

Mr. McGrath: How would you know?

Mr. Knowles (Winnipeg North Centre): I am being asked how I would know. Well, I have eyes. I can see. I can also smell the air when it goes bad. In any event, this is one anomaly I hope will be straightened out.

I can see some difficulty respecting this legislation because of the overlapping of federal and provincial jurisdictions, but that sort of thing can be resolved. Once again, I am glad this measure has been brought up on a Friday afternoon when the House is in a mood to pass things, and I congratulate the hon. member on getting his bill through this afternoon.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in joining hon. members who have already spoken in congratulating the hon. member for Toronto-Lakeshore (Mr. Robinson) on introducing this bill I should like to give a clear indication that the government will support it. I hope the House will find it agreeable to let the measure go to committee.

Some hon. Members: Hear, hear!

Mr. Lalonde: This is one of several bills the government has indicated its intention to support in the course of the present session. Some are from opposition members. Others are from supporters of the government. This is an indication that the government will, increasingly often I hope, encourage private members to put forward bills in the expectation that those bills will find their way into legislation eventually.

Mr. Knowles (Winnipeg North Centre): Barry Mather left about ten other good ones behind.

Mr. Lalonde: I should like to put a few facts on record for the benefit of the House and of the public generally, though I want to be sure I do not talk out the hon. member's bill. For more than a decade the Department of National Health and Welfare, in co-operation with other groups, has conducted a nation-wide program aimed at warning the smoker and those considering picking up the habit about the effects of smoking. In fact, I wrote to hon. members a couple of days ago telling them that we have a few of these buttons available for them to wear, or for others to wear. You will note that I am wearing one today. However, until recently little attention was paid to the effect of smoke on others in a room or area. Now these people have begun to draw public attention to their predicament and it is evident they should be protected in some manner.

At first the public tendency was to shrug off the non-smoker as a nuisance minority. Some 70 per cent of the people in Canada are non-smokers. That estimate, of course, includes children, who can also be harmed by inhaling tobacco smoke produced by others. Based on the 1967 U.S. National Health Survey there are probably at least three million Canadians suffering from a pre-existing susceptibility to cigarette smoke.

Non-smokers have formed a number of local groups in Canadian centres to promote the control of tobacco smoke. I understand there are some representatives of such groups in the gallery today. They suggest designating smoking and non-smoking spaces, smoke breaks during long meetings, and placing smokers nearest ventilation exhausts and non-smokers nearest ventillating air outlets, among other such techniques. The Department of National Health and Welfare together with various interested organizations and voluntary groups is also calling public attention to the plight of the non-smoker. Last spring the deputy ministers of my department sent a memo to each employee urging voluntary tobacco smoke control techniques in confined or crowded spaces. We hope there will soon be general acceptance of such practices.

Scientific testing has provided evidence of problems connected with the inhalation of smoke by non-smokers, so the people concerned have a legitimate complaint. The evidence indicates that individuals with asthma, allergies, advanced emphysema or advanced coronary arterial disease can be seriously troubled by inhaling cigarette smoke, especially in closed environments over a period of time.

As well, a smoke-filled room can often cause short term eye irritations to contact lens wearers. Moreover, preliminary studies indicate that respiratory ailments are more common among children whose parents smoke than among those whose parents do not. Another study has reported that infants in their first year of life are more prone to bronchitis and pneumonia when parents smoke.

Let me pose this question. If any hon. member was about to enter into a confined space—room, plane, bus, car or boat—where he would have to remain for some length of time—and was told in advance that the space contained nicotine, tar, carbon monoxide and other toxic gases, would he feel up to staying there? Would he enjoy a meal in such an environment? Yet time after time people are compelled to do something very similar, whether they smoke or not.

I should also like to call attention to studies of the chemical composition of tobacco smoke which have shown the presence of numerous toxic compounds, among them many irritants and cancer-producing substances. These compounds are sent into the air wherever tobacco is smoked. Their most objectionable emissions occur when the lighted tobacco is left to smoulder between puffs. The irritating, harmful substances in this sidestream smoke hover in the air and the non-smoker cannot help but inhale them. The non-smoker does not produce any of the pollutants, yet he must live with them, or try to.

There is one fact which bears further attention. The closer a non-smoker sits to a smoker, the greater the amounts of such pollutants as carbon monoxide and oxides of nitrogen he is exposed to. To a person who is allergic to the elements of tobacco smoke and to persons suffering from such ailments as asthma or emphysema, this concentration of smoke substances may be not only uncomfortable but agonizing. Even to healthy individuals, tobacco

smoke hovering around their faces can be more than annoying. It can produce eye and nose discomfort, coughing, nausea or headache, or interfere with breathing. For the non-smoker sitting next to a smoker in an aircraft, train or bus, there may be no escape.

● (1630)

With transportation facilities more and more catering to family travel, we must also consider the small children. They should be protected from the chemicals in tobacco smoke, particularly when they are subjected to them in hours of travel.

How can all this be dealt with? Substantial ventilation can reduce the levels of irritants and noxious elements in confined areas. But ventilation costs money because of the added heating or cooling required, and it does not remove the damaging chemicals rapidly enough to relieve all sensitive non-smokers.

Some smokers are considerate and will curb their habit when they know they are in the company of non-smokers, and in particular in the company of those who indicate that tobacco smoke disturbs them, or brings them harm. There are smokers who will abstain when they are in a room or on a public vehicle because they themselves cannot tolerate the discomfort of sitting in a pall of tobacco smoke. But not enough can be accomplished by a simple appeal to the smoker. Unfortunately many of them are unresponsive to the need of the non-smoker to breathe uncontaminated air. Therefore there is a definite need for regulation of smoking in public places.

Some air carriers already designate areas for non-smokers. Early in the summer of 1974 Air Canada increased the number of "no smoking" seats on its aircraft. Depending on the number of seats and type of aircraft, the seats devoted to non-smokers were increased from 43 to 50 per cent. Air Canada said this increase came as a result of passenger demands.

At the present time "no smoking" areas are set up and policed by the carriers themselves. Recently the Civil Aeronautics Board of the United States expressed the belief that such self-imposed rules of the carriers were not an adequate remedy and that the voluntary efforts to segregate non-smokers and smokers were not effective. They reported receiving many letters in which passengers objected to being told that the non-smoking section of a plane was full, or being seated in a non-smoking section only to find no effort was made to prevent smoking by any of its occupants. On top of that, a joint survey by federal bodies in the United States reported more than 60 per cent of non-smokers who used air travel said they were bothered by tobacco smoke and urged either a ban on smoking or segregation of non-smokers and smokers on commercial flights.

Considerable correspondence received by non-government and government agencies in Canada and the United States has urged the complete banning of smoking on carriers. This correspondence did not come from cranks. The writers are genuinely concerned with their own comfort and health, as well as with the comfort and health of all who may be adversely affected by smoke. None the less, the U.S. Civil Aeronautics Board observed that, just as the attitudes of many smokers appeared to be insensitive to the rights of others to be relieved of the annoyance and discomfort caused by smoking, so does the attitude of many non-smokers appear to be insensitive to the rights of the smokers.

After all, smoking is a lawful activity and to deprive smokers of this right could cause them severe discomfort. The U.S. board did not believe that the discomfort caused by smoking aboard aircraft could be reasonably dealt with by an absolute ban. The board believed that the segregation of smokers and non-smokers could establish an equitable balance. Consequently, on May 7, 1973, the U.S. Civil Aeronautics Board adopted a regulation requiring certificated air carriers to provide designated no smoking areas aboard their aircraft.

The U.S. Interstate Commerce Commission subsequently enacted a similar regulation respecting smoking on interstate passenger carrier vehicles. That arrangement appears to be the purpose of the hon. member's bill, Bill C-242.

I might add that some problems that could arise from such legislation should be considered in committee. For example, the bill calls for separate accommodation where smoking will be prohibited. It must be clearly indicated that this should not be interpreted as requiring any operator to permit smoking of cigarettes, cigars or pipes aboard the vehicle. Another problem could occur when the plane, train, bus or ship is faced with peak travel periods. At times like this it is quite possible that the number of seats available to either the smokers or non-smokers in the vehicle will not be enough to meet the demands. When such shortages occur there must be nothing to prevent the attendant—steward, stewardess, conductor or driver—setting up a temporary exchange of seats to achieve the correct balance.

A passenger must be given every opportunity to know of the existence of areas where smoking will not be permitted. For example, a passenger planning to travel by commercial aircraft must be advised when he makes his reservation that a non-smoking area is available in the aircraft. When he reaches the airport and checks in, his preference should be made known to the attendant. Then, when the attendant makes the customary announcements before take-off, specific reference should be made to regulations that exist regarding smoking and to the specified areas for non-smokers, what the regulations mean, and how they operate.

The procedure outlined here could be expanded by a variety of other means and be made known to the travelling public. In the 1969 report of the Standing Committee on Health, Welfare and Social Affairs on tobacco and cigarette smoking, it is observed:

> Your committee recommends that, out of consideration for the majority of Canadians who do not smoke, a gradually increasing number of no smoking areas or sections be provided in places or facilities used by the general public.

The committee noted there was increasing public recognition of the rights of non-smokers.

Attention should also be paid in legislation of this kind to the situation in smaller commercial vehicles, and I am glad that the hon. member has said he will entertain amendments on this particular subject.

The advantage for smokers of separate accommodations are twofold. The first is freedom from the increasing number of objections from non-smokers. In other words,

they would be assured of hassle-free smoking areas. Secondly, a smoker who is trying to quit the habit would be able to obtain social support for his changed lifestyle by using no smoking areas wherever they are available.

My department believes that there is a need for legislation in this area. While it cannot speak for other ministries which may be concerned with or even involved in this matter, there has been no objection to date to such legislation raised from those contacted. As I have said, Mr. Speaker, we have confidence that extensive benefits will result from legislation such as is outlined in Bill C-242.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I too should like to congratulate the hon. member for Toronto-Lakeshore (Mr. Robinson) on his courage in bringing forward this bill. I do not know whether he polled his constituents to find out the proportion of non-smokers to smokers; one would hope that he had not and that it was purely on the principle involved and his interest in the subject that he has introduced this bill.

I join him in his recollection of the former hon. member for Surrey-White Rock and his long campaign. I note that when that constituency changed its politics it held firm to the non-smoking principle in sending the present member for Surrey-White Rock (Mr. Friesen) to this House.

There are many aspects to a bill such as this. It is easier to present the matter in the form of a bill, and one feels that it might have tremendous public acceptance, but one cannot always tell. I recall the moves made by the former premier of the province of British Columbia to ban the advertising of cigarettes and alcohol in publications in that province, and the great outcry that arose as a result of a move that I suspect he felt was going to meet with tremendous public acclaim. Once in effect, the reaction was other than what he expected.

I am a little concerned about this question of separate accommodations. It would seem simpler and more economic to ban smoking altogether, particular on air flights that are of fairly brief duration these days. The existing situation on Air Canada, for example, leaves something to be desired because there is no partition separating the eighth row from the ninth row, so the cut-off point between smoking accommodation and non-smoking is rather arbitrary.

Having listened to the hon. member for Winnipeg North Centre (Mr. Knowles) I think we might end up by dividing accommodation in aircraft of necessity into four separate compartments—first class smoking and non-smoking, and economy class smoking and non-smoking. This might add considerably to the expense of altering the aircraft. One would have to be reassured in this regard and perhaps an amendment could indicate just what would be acceptable to the mover of this bill as separate accommodation.

● (1640)

It is essential that we know what penalties are envisioned here because certainly enforcement is the key. I know it cannot be left up to the non-smoker to defend himself because very often a situation arises where the smoker is a very powerful and burly person while the non-smoker is not, and therefore there is a hesitancy to object vigorously to the presence of the smoker. I find that far too often the staff of the vehicle or the plane will evade the responsibility and fail to be firm with some rather flagrant breaker of the rules.

I have heard a person in the non-smoking section ask the attendant if he could smoke, and the attendant has said to him that he may do so if no one objects. In that case the person proceeds to light up and the non-smokers are faced with the onus of preventing something that has already been allowed by the staff of the mode of transportation. So it is essential that there be enforcement, and that penalties are provided and are seen to be imposed and carried out.

I do not wish to be accused of talking out this bill. I think the categories covered here generally are satisfactory. There might be some difficulty in the case of a shared taxi to Hull because this would involve a very small vehicle. Again some passenger aircraft are very small.

There is one serious omission. I think the mode of transportation that can impose perhaps the severest penalty on the non-smoker is the elevator. In this institution, the House of Commons, I find that a vigorously puffed cigar in one of our elevators is about as extensive a hazard to one's health as one can be subjected to. I suggest the hon. member might give some thought to that very small but terribly confined form of transportation which is such as essential part of our life these days.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, there is no danger of my talking out the bill because I wish to go on record in support of it. However, I have one qualification. The bill does not go far enough. It is about time the House of Commons started to give a little leadership in respect of what I consider to be a very serious health hazard in this country.

The statistics given this afternoon point out the dangers in respect of smoking and the necessity for education of our young people in respect of the repercussions of smoking. In looking at the bill, and having thought about it for the past few days, I would say that the phrase "separate seating accommodation" gives me some cause for concern as to whether or not any realistic form of separation can be developed, especially on airplanes.

As the hon. member for Okanagan-Kootenay (Mr. Johnston) pointed out a moment ago, the fact that smoking is permitted in row number nine but not in row number eight does very little for the person sitting in row number eight, or whatever the arbitrary line is, because of the very nature of smoking. If we do not put up a physical separation I have some doubt, speaking as one of many members of the House of Commons who have experienced the long suffering of air travel, about there really being sufficient help given to non-smokers.

As I think about the whole question, as I often do in my worst moments while being trapped in a seat beside, or even in, a smoking section, I have to consider which is the greater right—and I hope the committee will give a little thought to this—the freedom from smoke or the freedom to smoke. It seems to me that in modes of transportation the rights are irreconcilable because of the very nature of the beast.

I would say that if I were to give an opinion on this in the committee I think the freedom from smoke is a greater right. Therefore when I said a moment ago that the bill

does not go far enough what I have in mind is that I should like to see some experiment in which no smoking at all would be permitted. I have seen far too many examples of children becoming sick, and non-smokers and people with allergies being inconvenienced because they could not get into the non-smoking section of a plane since it is too small. Even having in mind what the minister just said about the non-smoking arrangements being enlarged, nonetheless they are too small.

I can assure you from bitter experience, Mr. Speaker, that very often the non-smoking section is filled up first. Even if one boarded the plane at a reasonable time one often ends up sitting in the smoking section. So I have some reservations about separate accommodation unless there is a physical separation involved. I doubt that this will happen, that is, that there will be consideration given to flights with no smoking permitted. This brings back the question of the greater right. There are some great questions at stake here. I hope the committee will give these serious consideration.

Finally, one of the things that will happen is that the public will become concerned about the effects of smoking as the committee begins its hearings. I believe some consideration should be given to the accommodation of patrons of a restaurant, people in theatre lobbies and, as the hon. member who just spoke mentioned, elevators. There is also the matter of smoking in hospitals. There are numerous cases in which members of the public are more or less forced to accommodate themselves to a given situation.

There is also the educational aspect of what we are discussing here. I think we must help more Canadians realize not only the dangers of smoking but also how the rights of non-smokers have been trampled on for far too long. It is about time we took some positive action in this regard.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I see we are running out of time and I would certainly not want to be accused of talking out this bill. However, I would simply want to add to what has been said, being myself an addicted smoker—up to two or three packs of cigarettes a day—that I can now say that it is quite true that smoke—I will be older Sunday so I feel I must make a small confession today—is really damageable, that it is really unpleasant to go in public vehicles, by plane or train, and have to smell the smoke that people just blow in your face.

I share the opinion of the Minister of National Health and Welfare (Mr. Lalonde) about the efforts that his department is undertaking to carry out a greater education campaign to prove to people that it is really damageable to smoke. I share the reserves of my hon. friend and colleague from Edmonton-Strathcona (Mr. Roche) when he says that the bill perhaps does not go far enough but I think it is a step in the right direction and I join all my hon. colleagues on this Friday afternoon to congratulate our colleague from Toronto-Lakeshore (Mr. Robinson) for having had the wisdom to introduce this legislation. I think we will agree to vote this bill this afternoon.

● (1650)

[*English*]

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion.

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

The Acting Speaker (Mr. Turner (London East)): Is it agreed to call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner (London East)): It being five o'clock, this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 1, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DEFENCE

SUGGESTED DELAY IN ESTABLISHING FRANCOPHONE UNITS AT CFB GREENWOOD PENDING INVESTIGATION—MOTION UNDER S.O. 43

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, under Standing Order 43 I seek the unanimous consent of the House to move a motion of urgent and pressing necessity in view of the Department of National Defence's proposal to establish a French language operational Argus squadron at CFB Greenwood. I therefore move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the government forthwith arrange for an investigation of the Department of National Defence's policies with respect to the posting of Francophone units in wholly Anglophone communities, and vice versa, and immediately suspend all measures and steps which might lead to the establishment of a French language operational squadron at CFB Greenwood until such investigation has been completed, and until the views of the communities and personnel affected have been ascertained and taken into consideration.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ANTI-INFLATION BOARD

REQUEST FOR ASSURANCE BOARD WILL NOT INTERFERE IN COLLECTIVE BARGAINING—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to deal with a case of urgent and pressing necessity. In view of the fact that ministers of the government have repeatedly stated that the anti-inflation legislation before us is not intended to take the place of collective bargaining, and in view of the fact that the Anti-Inflation Board itself in a statement November 7 stated that it did not intend to replace normal bargaining processes, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House condemn the Anti-Inflation Board for its attempt to set itself up as a labour court in its dealings with striking Toronto secondary school teachers, and that the Prime Minister assure this House that the board will no longer be permitted to interfere in the collective bargaining process.

Mr. Speaker: Order, please. The hon. member may not be aware that the order of business for today is the third reading of the very bill to which he refers in his motion. It seems it would be an abuse of our procedures to ask the House to set aside a third reading debate for another debate on the subject.

* * *

[*Translation*]

THE CANADIAN ECONOMY

SUGGESTION WORKERS BE ALLOWED TO BUY SHARES AND PARTICIPATE IN PROFITS OF COMPANIES—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the terms of Standing Order 43, I request unanimous consent of the House to present a motion on an important and urgent matter.

In view of the increasing number of problems arising in the field of labour-management, and as it has become essential, in the face of many strikes in all sectors, to try to orient our legislation with a view to attenuating the evil effects of numerous work stoppages which are always disadvantageous for the workers and, in addition, create a climate of provocation which dislocates the whole Canadian economy, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House urge the government to take serious measures to interest the workers in Canadian undertakings through benefit sharing and share buying so as to ensure peace and a greater measure of co-operation between capital and labour.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

IMMIGRATION

PROPOSED GRANTING OF LANDED IMMIGRANT STATUS TO NEHEMIAH RICHARDS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion of urgent and pressing necessity concerning 19

year old Nehemiah Richards, son of Lloyd Richards, of the city of Toronto, a student at Bloor Street Collegiate, who is scheduled to be forcibly and inhumanely separated from his father, mother, seven brothers and sisters this weekend and deported to Jamaica by a senseless, cruel, unnecessary application of regulations by Canadian immigration. I therefore move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

It is the opinion of the House that the disgraceful deportation of Nehemiah Richards be forthwith halted, that none of the circumstances involved warrant such ruthless treatment, that the Minister of Manpower and Immigration immediately issue a ministerial order granting him landed immigrant status, that the House deplores the heartless written refusal of the Prime Minister to assist in the case and, finally, the House requests the Prime Minister and the Minister of Manpower and Immigration to show at least the same sense of compassion and understanding which they so willingly extended to undesirables like General Quang.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[Translation]

UNEMPLOYMENT INSURANCE

REQUEST THAT REGULATIONS BE APPLIED IN MORE HUMANE WAY—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important and urgent issue.

Since some officers of the Unemployment Insurance Commission disgracefully take advantage of the honest people, making them sign statements which force them afterwards to refund the amounts received over a long period of time, which is inhumane, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the minister responsible for unemployment insurance take steps to give more humane directions for implementing unemployment insurance regulations.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

[Mr. Cossitt.]

• (1410)

[English]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. PIO-CARLO TERENZIO, SECRETARY-GENERAL OF INTER-PARLIAMENTARY UNION

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, may I draw to the attention of the House the presence in your gallery of a very distinguished international public servant, the Secretary-General of the Inter-Parliamentary Union, Mr. Pio-Carlo Terenzio.

Some hon. Members: Hear, hear!

* * *

[Translation]

AGRICULTURE

REQUEST THAT CONTROL OF IMPORT LICENCES BE GIVEN TO MINISTER—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important and urgent issue.

Since the federal Minister of Agriculture is responsible for foodstuff supplies to meet the needs of the population; since this responsibility concerns the quantity and quality of food produced in Canada as well as imports; since also to enable him to discharge his duties more effectively an efficient control of imports and exports must be made in accordance with the above-mentioned responsibilities, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House consider the advantages of giving the Minister of Agriculture the responsibility of issuing import permits and licences for farm products.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[English]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF OFFICERS OF CANADIAN COASTGUARD

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, may I call attention to the presence in your gallery of officers of the Canadian Coastguard attired in their new uniforms?

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS AGAINST FORCE BY MR. MARCHAND—EVIDENCE PROVIDED TO SUPPORT ALLEGATIONS—POSSIBILITY OF INVESTIGATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Solicitor General. In view of the very serious charges made against the RCMP on Friday by the Minister without Portfolio, has the Solicitor General asked the Minister without Portfolio to turn over to him all the evidence one must assume he has to support such allegations? I further wish to ask the Solicitor General what action he has taken to investigate such evidence.

Hon. Warren Allmand (Solicitor General): I have been absent from Ottawa since Thursday afternoon; I only heard about the allegations after I returned from Winnipeg on Friday night. Prior to my leaving I met with the Minister without Portfolio and asked him to give us any evidence he had with respect to his allegation. So far, we have received none from him.

Some hon. Members: Oh!

Mr. MacKay: Is it the position of the Solicitor General that the RCMP, to use the words of the Minister without Portfolio, are trying to use public opinion to get a strength they would not otherwise have and also—another quotation—"some of them think they are above everything; I don't want another CIA in this country" is not a serious matter? Does he feel his colleagues over there have free vein to cast apparently unsubstantiated slurs upon the force for which he is the responsible minister?

Mr. Allmand: I have never found any evidence to support the allegations made by the Minister without Portfolio.

Some hon. Members: Hear, hear!

Mr. MacKay: I gather the minister is saying he does not agree with the inference that the RCMP are appealing to public opinion through the media to clothe them with power they need to carry out investigations.

Mr. Allmand: That is right, Mr. Speaker.

SKY SHOPS INVESTIGATION—REQUEST FOR ASSURANCE INVESTIGATION PROCEEDING AND LIST OF MEMBERS TO BE INTERVIEWED

Mr. G. W. Baldwin (Peace River): Bearing in mind the grave concern and unrest which exists among the public, can the Solicitor General assure the House that the RCMP investigation into Sky Shops and related matters is proceeding fully and freely despite the obvious attempts of certain members opposite to intimidate the force?

Some hon. Members: Oh!

Hon. Warren Allmand (Solicitor General): As the minister responsible for the RCMP I can say we are proceeding in these investigations with all due haste.

Mr. Baldwin: Last week the Solicitor General told the House that the RCMP intended to interview certain other members of this chamber on all sides of the House, as the Solicitor General put it. Can the minister tell the House whether he has been given a list of the members the RCMP intends to approach, and can he tell us the basis upon which members, especially members on this side of the House, have been chosen for interviews into what is, after all, an investigation into what appears to be Liberal party fund raising practices?

Mr. Allmand: Mr. Speaker, I want completely to reject that last allegation. There is no investigation of Liberal party fund-raising practices; there is an investigation into matters relating to the Sky Shops and related incidents. With respect to the other matters raised by the hon. member, when I said that the RCMP would be interviewing people on all sides of the House, I meant to say in political parties other than the government party. They did not give me any list. Again, I want to make very clear that when the RCMP visit ministers or members of parliament on this matter, it is not as suspects but as people willing to help with the investigation.

* * *

THE CANADIAN ECONOMY

SUGGESTION INCREASES IN OIL PRICES BE CONDITIONAL ON COMPANIES DOING FURTHER EXPLORATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. At the first ministers' conference of last April both the Prime Minister and the minister, then in his capacity as Minister of Energy, Mines and Resources, argued for higher oil and gas prices on the grounds that they would be necessary to stimulate exploration for higher priced reserves. Given the fact that figures from the Canadian Petroleum Association now show that although revenues for the last three years running have been increasing at unprecedented rates in the oil and gas industry, money spent on exploration has actually been falling at a rather drastic rate as a percentage of revenue. May I now ask the minister whether the government is prepared to make it an absolute condition that any increase in the price of oil at the wellhead level will be conditional upon the companies doing further exploration?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we have approached the matter in a rather different way, in the sense that we have so arranged the income tax system by the budget of June 23 that a company which does engage in exploration could receive up to 71 cents of the $1.50 increase for the purpose of exploration in Canada. If it fails to do so, its net will be down to 28 cents. In other words, we have provided a taxation disincentive for those firms which fail to carry out exploration in Canada.

Mr. Broadbent: A supplementary question, Mr. Speaker. Instead of using the usual approach of the government,

which has been to provide some kind of incentive and which goes back over the past decade, why would the government not make it mandatory that all such increases beyond cost increases be put into future exploration?

Mr. Macdonald (Rosedale): Mr. Speaker, we think the incentive will be effective and it has been effective since the budget bill was enacted in late July for the purpose I set out.

INQUIRY WHETHER GOVERNMENT HAS ESTIMATE OF JOBS LOST AS RESULT OF OIL PRICE INCREASE

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question. Given the estimate over the week end by an Ontario government economist that the Ontario economy alone would have lost some 37,000 jobs because of the most recent price increase permitted by the federal government to the oil companies, can the minister inform the House whether the federal government has done an estimate in terms of lost jobs in the economy as a whole as a result of that decision apart from that done by the province of Ontario, and if so is the minister prepared to table in the House such estimate?

● (1420)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have to examine the precise Ontario analysis, checking its accuracy, to see if we have done exactly the same thing at the federal level. However, the analysis seems to me to escape the basic truth that we are faced with in Canada. With a dwindling resource base from conventional producing areas we will have to pay more for petroleum in Canada, and it is in the interest of all provinces, including Ontario, to develop a higher capacity to meet our own needs from our own supplies.

* * *

[*Translation*]

POST OFFICE

STRIKE OF INSIDE WORKERS—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the Postmaster General.

In view of the quite controversial information given on the radio about the postal conflict, can the minister tell the House whether the negotiations held during the weekend gave any results and whether the conflict is or will be over shortly?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, a collective agreement was signed Saturday. Naturally, it is the right of the union to ask its members to vote on it tonight or tomorrow. I hope it will be a secret vote, as provided in the collective agreement. We will wait to see if they support the agreement; if not the strike will go on.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask the Postmaster General a supplementary question.

[Mr. Broadbent.]

According to his statement, a document which confirms the conclusion of an agreement between the federal government and the postal workers' union has been signed. Does the Postmaster General happen to know if the leaders who have signed on behalf of the union are the same people who are now recommending that the Montreal postal employees vote against the agreement which has been reached last weekend by the Postmaster General and the union?

Mr. Mackasey: Mr. Speaker, this inconsistency coming from the president of the Montreal local is not unusual. On the contrary this is just what we have been expecting from Mr. Parrot for quite a while.

* * *

[*English*]

AIR CANADA

CRITERIA USED IN APPOINTING NEW CHAIRMAN—SUGGESTION APPOINTMENT SHOULD BE MADE FROM WITHIN RANKS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in view of the disappointing results which the last appointment produced, I should like to ask the Prime Minister whether it is the intention of the government this time to make a knowledge of airline operations and a proven ability to direct large corporate operations the criteria on which the appointment of the new Chairman of Air Canada will be based?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we will continue as in the past, seeking out the best person available for any job which is open.

An hon. Member: You will have to look outside the Liberal party.

Some hon. Members: Oh, oh!

An hon. Member: What about you, George?

Mr. Hees: You couldn't make a better choice.

Some hon. Members: Hear, hear!

Mr. Baldwin: Ask him about the anti-inflation rules.

Mr. Hees: As morale within the airlines has suffered very materially during the past seven years, is it the intention of the government to give serious consideration to the appointment of a replacement for Mr. Pratte from among employees of the airlines, in an attempt to restore that very important ingredient to corporate success, namely, morale?

Mr. Trudeau: We will certainly consider that suggestion, Mr. Speaker. We will look at any person within the airlines, and consider that very seriously. I think there may be a contradiction between the two parts of the question of the hon. member, in that he first said a better choice than himself could not be made, which leads me to say that he does believe in certain cases we could get a better choice outside the airline.

Some hon. Members: Hear, hear!

Mr. Hees: Well, that is your opinion, and what is yours' against thousands of others?

Mr. Trudeau: I must say that I think the hon. member would probably be a very good choice, indeed. What I think is a bit suspicious is that the backbenchers applauded that suggestion, so it would appear that they want to get rid of him.

Some hon. Members: Hear, hear!

Mr. Hees: It would be a nice way to go through, wouldn't it?

Some hon. Members: Oh, oh!

* * *

[*Translation*]

OLYMPIC GAMES

PROPOSED ADOPTION OF SELF-FINANCING FORMULA

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the President of the Treasury Board.

Considering the tremendous increase in the costs of the Olympic facilities, and considering that Canadians want to be sure of the costs of those games, can the minister tell the House today whether he is willing to consider, along with all concerned parties, a new formula to help the self-financing of the Olympic Games, a formula which would comply with the assurances already given and which would not be an additional burden on public funds?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I wish the hon. member would table such magic formula immediately. Obviously, in the House I am the person most willing to promote such ideas. But, I think the hon. member's suggestion flows from a great dream.

Mr. Wagner: Mr. Speaker, I have a supplementary question. I thank the President of the Treasury Board for his broadmindedness, which is to his credit. If, for instance, this new formula, which is to be announced within the next few hours, were sent to the Minister officially by the authorities in Montreal and Quebec City, are we to understand that he would at least agree to consider it?

Mr. Chrétien: Mr. Speaker, unfortunately I have not received any new formula. However, if such a formula were received, I hope that the opposition would consider it and would make unanimous recommendations. Then, this attitude may facilitate our work. Anyway, the formula for financing the Olympic Games was accepted by the three levels of government, several years ago, and we do not intend to change it. But if amendments are put forward which do not change the principles on which it is based, we are evidently prepared to consider them.

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—PROPOSAL THAT RETROACTIVE PAY BE MADE AVAILABLE BEFORE CHRISTMAS IF SETTLEMENT RATIFIED

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Postmaster General. It relates to the reply he gave to the hon. member for Témiscamingue. In the event that the most recent offer made to the postal workers is ratified, would the minister consider making at least a portion of the retroactive pay of these workers available to them as soon as possible before Christmas.

Hon. Bryce Mackasey (Postmaster General): Yes, Mr. Speaker. I would be more than happy to recommend this to the minister responsible for Supply and Services. I think we could provide each and every postal worker affected by this unnecessary strike with at least $500 as soon as possible so that he or she could enjoy Christmas which, at the present moment, would be very difficult in light of the fact that they have now been without any income for 41 days. However, I must stress that this will depend on the speed of the ratification since every day they are denied the opportunity to return to work they are losing $1 million in income.

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LABOUR CONDITIONS

STRIKE OF PULP AND PAPER WORKERS—RESULTS OF DISCUSSIONS WITH COMPANIES—SUGGESTION ANTI-INFLATION BOARD BE FLEXIBLE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Labour. In view of the fact that the complete pulp and paper industry is in a state of jeopardy with 45 mills on down time and others on strike almost daily, would the minister advise the House what answer he received from the pulp and paper industry to the demand that they sit down with the unions and come to a successful conclusion to prevent the total collapse of this important part of our economy.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I have not received any notification directly from the paper companies. It is the provinces of course, and the labour ministers in the provinces involved, which have been talking to the representatives of the paper companies. I think it is their hope that the parties will get to the bargaining table to resolve this dispute as quickly as possible. I might say that there are some who believe the Irving settlement in New Brunswick the other day may prompt early settlement. That is the hope.

● (1430)

Mr. Marshall: In view of the fact that the Irving settlement has been used as a benchmark, I wonder if the minister could discuss with the chairman of the Anti-Inflation Board some flexibility in negotiations so that this very important part of our Canadian economy will not be drastically affected?

Mr. Munro (Hamilton East): Mr. Speaker, I do not know that it would be my proper function to tell the Anti-Inflation Board what they should do with any individual settlements. Certainly, it would help in this situation if the Anti-Inflation Board looked at the Irving settlement and indicated as quickly as possible whether or not it approves it.

* * *

AGRICULTURE

FEED GRAIN—POSSIBILITY OF CHANGE IN FREIGHT ASSISTANCE PROGRAM

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the widespread concern among feed grain users in British Columbia about the future of the feed freight assistance program, can the minister advise the House if the government has yet decided to carry on with the program in its present form or to replace it with something else?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, no decision has been made on this.

* * *

HOUSING

LIMITED DIVIDEND PROJECTS—GOVERNMENT ACTION TO CONTROL RENTS AND PREVENT EVICTIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs and it is about the fact that CMHC, as he well knows, makes loans and grants to limited dividend housing projects or rental projects under the National Housing Act under agreements to control rents. It now appears that rent increases are being made on these projects of up to between 20 per cent and 30 per cent and evictions are taking place. What steps will the minister take to prevent the rise in the rents of federally subsidized housing and to prevent evictions, as this seems to be a matter falling within federal jurisdiction?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, as the hon. member might know, I met with some 40 representatives of the Tenants' Association from the limited dividend housing projects in Toronto on Saturday. I am taking immediate steps to check those evictions which are as the result of leaders organizing into tenant groups. I think it is unacceptable. If they wish to organize, there should be absolutely no coercion or pressure on them, and I have taken immediate steps to see that that does not take place. There are occasions, as the hon. member knows, as one learned in the law as I am not, when eviction is quite an appropriate procedure, but we certainly want to see this minimized.

In so far as rents are concerned, we are investigating this. I think the 20 per cent to 30 per cent figure which the hon. member indicated is higher than those which the tenants themselves have indicated of around 17 per cent to 20 per cent, but I am investigating even that at this time. The distinction in control here is whether the provincial legislation will cover this type of accommodation or whether we will continue to control it ourselves. We are trying to work this out in relation to the provincial legislation. I am certainly looking into these cases individually to make certain that there are no undue increases and that people are not evicted because they are being coerced or because they want to organize to make representations.

Mr. Brewin: In view of the fact that, for example, the Ontario legislation restricts increases to 8 per cent and, as I understand it, CMHC officials themselves have said that increases in some of these projects are between 20 per cent and 30 per cent, will the minister endeavour to persuade the Ontario government to include in its legislation these federally financed projects so that there can be some degree of uniformity?

Mr. Danson: Yes, this is a matter of some discussion between the provincial ministers and myself. We are not anxious to see public housing where rent is geared to income come under rent control schemes. That creates another level of bureaucracy which is not responsive and sensitive to individual needs which are usually way below market rents. But this is an area at which we are looking in so far as the specific types of projects are concerned, and we will be discussing these with the provinces.

LIMITED DIVIDEND PROJECTS—REQUEST FOR INVESTIGATION OF RENT INCREASES IN OTTAWA AREA

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my supplementary question is directed to the same minister. In view of the fact that in the national capital area in this kind of housing there are reports of increases of not only between 20 per cent and 30 per cent but specifically increases of $27.00 per month which have been described as totally warranted by an officer of CMHC, has the minister personally investigated the cases in Ottawa—and I refer to Minto construction—and is he prepared to substantiate the assertion that has been made by the officer of that corporation?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I had not looked at the Ottawa situation specifically. Now that it has been drawn to my attention, of course I will. What has happened in some of these projects is that in an effort to keep the costs and rents down we have found that some of the projects themselves have been kept down so far that they went into bankruptcy. We must adjust the rents to allow them at least to remain solvent and we must look at incomes to see if income support is necessary.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBILITY RENT CONTROLS ENFORCED BY CMHC RATHER THAN PROVINCES IN CERTAIN CASES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a supplementary question for the Minister of Finance. Is it the policy of the government that rent controls will

only be enforced by provincial bodies and not by CMHC in instances of this nature?

Hon. Donald S. Macdonald (Minister of Finance): I will be glad to make a more precise examination of this. As the hon. member pointed out, generally speaking rent control will fall under provincial bodies.

GOVERNMENT MEASURES TO ENSURE BUILDING OF APARTMENTS—ACTIONS OF SOME GROUPS BLOCKING BUILDING OF APARTMENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In light of the statistics published by CMHC this weekend with regard to vacancy rates in apartments, will the minister come to Edmonton to explain to the people there why apartments are not being built, and will he visit other centres to give the same explanation? What actual steps will the government take to see that these apartments are built? The government itself is not doing it, and that is one of the explanations he has not given with regard to rental increases.

Hon. Barney Danson (Minister of State for Urban Affairs): We are certainly well aware of the problem which the hon. member pointed out. The reason that apartments are not being built, or starts are down so substantially, is that they cannot be built at today's costs and rent levels without showing a significant loss. The legislative policies of the government are to lend the money so that it is economically feasible for those buildings to be built and rented at market rents, so that owners do not suffer a loss. Indeed, we are increasing our activities in this field. We were tremendously successful this year but still not as successful as we would like to be, and that is why we are requiring an additional three quarters of a billion dollars from the private sector directed to this type of housing. Indeed even in the private sector, before it became mandatory, 60 per cent of private funds was going into rental accommodation which was subsidized by the government of Canada.

Mr. Lambert (Edmonton West): Would the minister comment on the low vacancy rate and the absence of apartment construction as the result of the some of the actions of the so-called reform groups and city councils who have deliberately blocked the building of apartment buildings?

Mr. Danson: This is a matter of grave concern and that is why, in addition to all other things the federal government is doing to enrich the housing program, we are providing municipalities with $1,000 per unit for every one approved under our new National Housing Act program, which should have a significant effect. There are other factors involved in the municipal councils blocking of building which I discussed with the limited dividend tenants association, which the hon. member for Greenwood mentioned, which is a concern about tenant groups which may make unreasonable demands. I do not think those demands are unreasonable and my intention is to have a forum where they can discuss these demands rationally. I found the tenants groups rational and I am sure the landlords will be rational.

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PENITENTIARIES

INJURIES TO CORRECTIONAL OFFICERS—GOVERNMENT POSITION ON COMPENSATION—POSSIBLE INTRODUCTION OF LEGISLATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like the Solicitor General to answer a question regarding several correctional officers and what the stand of the government is in respect of injuries sustained by these correctional officers in the penitentiaries, regard being had to the numbers of these events. I asked a question about this the other day and the minister said he would look into it.

● (1440)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, persons who are employed with the Canadian penitentiary service are eligible for benefits under the Government Employees Compensation Act. However, with respect to their families, if the employees are on duty or if they die as a result of injuries, at the present time their families are not covered by the said act, but up until now we have been getting permission from the Treasury Board to make compensation payments to those families. After a certain amount of study, the penitentiary service has now seen fit to try to have this put into statute form so it will not have to continually go to Treasury Board for approval. A proposal will be put forward in this respect in due course.

Mr. Diefenbaker: I thank the Solicitor General for his very sympathetic consideration of the claims, particularly of the families of those who die in service. I ask him whether it is the intention to bring in that legislation in the present session, and will it apply in respect of those families whose breadwinners suffered fatalities during the past year or so?

Mr. Allmand: I do not know if the legislation will be ready for this session, but if it is not, we will continue to grant compensation to the families through special Treasury Board rulings, as we have done in the past.

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AIRPORTS

CHARLO—STATUS OF NEW AIR TERMINAL

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Minister of Transport. In view of the overcrowding at the existing facility at Charlo airport in the county of Restigouche, could the minister inform the House as to the status of the implementation of the extension of facilities at the Charlo airport, specifically with regard to the new air terminal?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the long range plan of the department calls for continued improvements for technical facilities as well as a

terminal building at Charlo. Because of the priority of a need for the operational facilities, the terminal is still some time away in the construction plan.

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[*Translation*]

OLYMPIC GAMES

INQUIRY WHETHER MONTREAL HAS REQUESTED INTEREST-FREE LOAN

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

It seems the city of Montreal will face a deficit of about $600 million in the organization of the Olympics. Can the Prime Minister tell the House whether the municipal authorities have asked for a long term interest-free loan from the federal government to tide them over?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I am not aware of such an application and I am told that neither did the President of Treasury Board get any such request.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question. If Mr. Drapeau were to state tonight on the Parle parle, jase jase television program that he is about to ask the federal government for a $600 long term interest-free loan—without any indication as to the number of years—would the Prime Minister consider such an application from Mayor Drapeau?

Mr. Trudeau: Mr. Speaker, I did not know that Mayor Drapeau was to appear on the Parle parle, jase jase program. Having had a fine experience myself when I appeared not such a long time ago, I can say that if he does he will certainly be quite welcome. However, after some consideration, the hon. member will certainly realize that his question is purely hypothetical and that I am therefore under no obligation to reply to it.

* * *

[*English*]

NATIONAL DEFENCE

GREENWOOD—REQUEST FOR CONSIDERATION OF VIEWS OF COMMUNITY BEFORE ESTABLISHING FRANCOPHONE UNIT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of National Defence. In considering the proposal to convert an Argus squadron at CFB Greenwood into a French language unit, which is obviously not a military decision but one which is more political, is the government prepared to consider the views of the community and the personnel affected before a final decision is made?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, consideration is being given to increasing the number of French language units in the Canadian armed forces, but there has been no final decision with regard to the unit at Greenwood.

BILINGUALISM

EFFECT ON UNITY OF ESTABLISHING FRANCOPHONE OR ANGLOPHONE UNITS IN UNILINGUAL TERRITORY

Mr. J. P. Nowlan (Annapolis Valley): My supplementary question is to the Prime Minister. In the consideration of establishing Francophone units and/or Anglophone units in Francophone unilingual parts of Canada, does the Prime Minister think that the artificial creation of linguistic ghettoes in unilingual areas of Canada is a positive way to promote bilingualism and to help bring unity to this land?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I always feel that any form of creating ghettoes is a retrograde step. I must indicate to the hon. member that it seems to be in his mind that ghettoes are being created; the government is not creating them.

Mr. Nowlan: I know what is in my mind.

Some hon. Members: Tell us.

Mr. Nowlan: I have difficulty trying to define what is in the mind of the Prime Minister. Assuming the facts as they are, that in areas of Canada which are 100 per cent unilingual, be they Anglophone or Francophone, and that the artificial creation and ordering of another unilingual group is not creating a ghetto—

Mr. Speaker: Order, please. The hon. member for Don Valley.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR CLARIFICATION OF POSITION OF TORONTO TEACHERS IN RELATION TO GUIDELINES

Mr. James Gillies (Don Valley): Mr. Speaker—

Some hon. Members: Leader.

Some hon. Members: Hear, hear!

Mr. Gillies: My question is for the Minister of Finance. Since there seems to be some misapprehension or some misunderstanding on the part of the negotiators for the teachers in Toronto—they were informed by the minister or someone in the minister's office that they would not come under the guidelines, and since that time the statement has been made by the minister that they do come under the guidelines—I wonder if the minister could set the record straight. Was there any communication between the minister and the teachers in Toronto and their negotiators to the effect that they would come under the guidelines? Perhaps that whole issue could be clarified.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am glad to have this opportunity. We made clear to the teachers and to all others by telegram and by statements in the House, in the committee and elsewhere throughout the country, that any particular settlement would have to be judged by the Anti-Inflation Board in its

current form under the Inquiries Act or in the form in which it is proposed under Bill C-73 when it becomes law, so we are not in a position to give an assurance to any group that they would not be covered by the guidelines. We have indicated in the white paper that there are exceptional circumstances. It would be incumbent upon any particular group to establish its own entitlement to exemption.

Mr. Gillies: Mr. Speaker, I have a supplementary question for the Minister of Finance. Just so that I am absolutely clear and the record is absolutely clear, was there at any time any communication with the negotiators for the teachers that the teachers would not be covered by the guidelines? Was that commitment made to the teachers at any time?

Mr. Macdonald (Rosedale): Mr. Speaker, there was a communication by telegram in effect confirming what has been said in this House and elsewhere, that of course they would have to meet the provisions of the guidelines like any other group, but bringing to their attention that the white paper did contain these exceptional provisions which they might attempt to meet.

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HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF DEPUTY SECRETARY OF UNITED STATES TREASURY, MR. YEO

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, while I am on my feet I should like to take this opportunity to call the attention of the House to the presence in your own gallery of Mr. Yeo, the Deputy Secretary of the United States Treasury.

Some hon. Members: Hear, hear!

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AGRICULTURE

FEED GRAIN—SUGGESTED DELAY OF REDUCTION OF FREIGHT ASSISTANCE PENDING INTRODUCTION OF NEW PROGRAM

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Agriculture and is supplementary to the one already put to him by the hon. member for Kamloops-Cariboo. In view of the fact that freight rate increases are also in prospect, will the minister delay any reductions in the feed grain freight assistance program until a more equitable program can be worked out? I gather the matter is under consideration. The net effect of a reduction on the assistance program—

Mr. Speaker: Order, please.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the government is trying to work out proper programs which do not create more disparity, but which make things more equal.

SCIENCE AND TECHNOLOGY

POSSIBLE DISBANDING OF MINISTRY—GOVERNMENT POSITION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of State for Science and Technology.

Mr. Munro (Esquimalt-Saanich): He has forgotten he is the Minister of State.

Mr. Andre: Can the minister confirm or deny reports in today's *Citizen* that the cabinet is considering disbanding the Ministry of State for Science and Technology, or one half of the ministries falling under the jurisdiction of the minister?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, to the best of my knowledge the cabinet is not considering disbanding the ministry.

● (1450)

DATE OF IMPLEMENTATION OF POLICIES ANNOUNCED IN THRONE SPEECH

Mr. Harvie Andre (Calgary Centre): A supplementary question, Mr. Speaker. Considering the performance of this ministry, a decision to disband it may be in order. As any comparison of Canada's performance in science and technology with that of any other western industrialized nation shows us to be last, will the minister tell the House when those few policy announcements proposed in both the last two throne speeches will be implemented by the government, and by which department?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, I emphatically deny the slight on Canadian scientific and technological work. I do not think it helps the hon. member to make that kind of statement, which is manifestly untrue nor does it help Canada. To answer the second part of his question, I should be interested to know what specific policy aspect he has in mind.

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ANTI-INFLATION BOARD

REQUEST THAT BOARD REFRAIN FROM MAKING STATEMENTS ON COLLECTIVE BARGAINING UNTIL SETTLEMENT NEGOTIATED

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Finance. In view of the repeated statements made by the government, that its anti-inflation program is not intended to take the place of collective bargaining; as the Anti-Inflation Board itself, in a statement on November 7, stated that it did not intend to replace normal bargaining processes, and since Mr. Jean-Luc Pepin's latest statement regarding Toronto secondary school teachers' bargaining constitutes not only a prejudgment of collective bargaining but also an undue interference in collective bargaining, has the minister made it clear to Mr. Pepin and the Anti-Inflation Board that the board is not to make statements which can only prejudge

collective bargaining, and will the minister instruct Mr. Pepin, and the board, to refrain from making statements on collective bargaining which may take place in future until a package is put before it?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not accept the premise of the hon. member's question, and therefore I will not comment further.

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NATIONAL CAPITAL COMMISSION

ALLEGED RETENTION OF FUNDS FOR OUTAOUAIS HIGHWAYS PENDING INSTALLATION OF SEWER SYSTEM

Mr. T. Lefebvre (Pontiac): Mr. Speaker, I should like to repeat my question to the Minister of State for Urban Affairs who is responsible for the National Capital Commission. Can he answer the question I directed to him on Friday through his parliamentary secretary?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, if I recall correctly, the hon. member asked a question relating to the National Capital Commission not proceeding with the roads program until the sewer program is resolved. I understand that there is a program involving the province of Quebec, the regional government of the Outaouais region and the National Capital Commission, under which work is to proceed. The cost was to be some $45 million, of which each government was to share one third. In the interim that amount has escalated to some $120 million. The National Capital Commission is prepared to carry its third; I understand that the government of Quebec is prepared to carry the balance of two thirds, leaving the original $20 million which was to be absorbed by the regional municipality. Until the sewage network is in place it is not possible, I understand, to proceed with the road network. Meetings are going on, in order that this may be resolved, but the time frames have been changed and I understand that the program, under present conditions, will not be completed until 1978.

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POST OFFICE

STRIKE OF INSIDE WORKERS—REASON UNION RECOMMENDING REJECTION OF SETTLEMENT—POSSIBILITY OF SECRET BALLOT

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Postmaster General. Can the minister offer this House an explanation as to how a collective agreement could have been signed on Saturday with the same CUPW executive now urging its rejection; perhaps, what is more important, can the minister assure the House that voting this time will really be by secret ballot?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the memorandum of settlement I have in front of me indicates that the collective agreement was signed on Saturday, subject to ratification. It was signed by myself, as representing my colleague who played a great part in helping us negotiate the clause on automation, and representatives of CUPW. Fortunately, it was signed in the presence of the executive vice-president of the Canadian Labour Congress, and the former deputy minister of labour, so that there is no doubt in my mind that a collective agreement was signed.

As to the change of heart in 48 hours by the negotiating team, which is now recommending rejection of their own judgment of Saturday, that can only cast some reflection on their judgment. Under Article 6 of their constitution, I think they are obliged to present for ratification this collective agreement through the process of a secret ballot. There are indications that at some locals this feature of the present collective agreement will not be honoured, unfairly casting once again some reflection on the integrity of the labour movement as a result of the actions of this particular union.

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PUBLIC SERVICE

PROVISION OF OFFICE SPACE AND SECRETARIAT SERVICES TO CONSULTANT ROY MACLAREN—REQUEST FOR REPORT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the President of the Treasury Board. In light of the treasury board circular issued last year questioning the legality of providing tools and facilities to outside consultants, will the minister investigate the provisions of both office space and secretarial services to Roy MacLaren for consultant's work with the Department of Industry, Trade and Commerce, and report to the House his findings?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I shall investigate this matter and report to the hon. member.

* * *

[*English*]

NORTHERN AFFAIRS

DATE OF PUBLICATION OF REGULATIONS COVERING EXPLORATION FOR OIL AND GAS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the answer given by the minister to a question put to him on November 21, when he indicated that he hoped to bring forward oil and gas regulations before December 21, and in view of the statement of the Minister of Energy, Mines and Resources, made before the resources committee on Wednesday, November 26, to the effect that he hoped the regulations would be ready early in the spring of next year, can the minister say if he is still considering December 21 as the deadline, or was the statement of the Minister of Energy, Mines and Resources more realistic?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall meet later this week with the Minister of Energy, Mines and

Resources and still hope to make the deadline by December 21.

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AIR CANADA

POSSIBLE CONTINUANCE OF MR. VAUGHAN AS PRESIDENT—GOVERNMENT POSITION ON REORGANIZATION OF COMPANY

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Transport. Will the present president of Air Canada, Mr. Ralph Vaughan, continue to retain his position for 1976?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have had a number of discussions with Mr. Vaughan and have every reason to believe he will continue with Air Canada. The question of responsibilities within Air Canada, and its over-all structure, is under review, and therefore there may be a change in his actual role.

Mr. Murta: A supplementary question, Mr. Speaker. Can the minister say if Air Canada is to be reorganized substantially, if, as part of the reorganization, the airline is to be compelled to compete equally for routes with other airlines, and if, as reported in a newspaper this morning, the government intends to offer Air Canada shares for sale to the public? Is the government thinking of introducing a major reorganization when it brings down the Estey report and proposed legislation?

Mr. Lang: Mr. Speaker, that particular newspaper reporter should recheck his cabinet sources, because the cabinet has not made any decision on these important questions. Consideration is being given to the whole role of Air Canada and its structure, and I hope, in due course, to put the results of these deliberations before the House.

DATE OF PRESENTATION OF ESTEY REPORT AND LEGISLATION TO REORGANIZE COMPANY

Mr. Jack Murta (Lisgar): A final supplementary question, Mr. Speaker. Is the presentation to the House of the Estey report being withheld, or to be withheld, pending the completion of new Air Canada legislation? Further, can the minister assure the House that we shall see the Estey report before legislation pertaining to Air Canada is introduced in the House?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the Estey report will be made available as soon as physically possible. I certainly expect the legislation to be introduced only after that.

● (1500)

ROUTINE PROCEEDINGS

[*Translation*]

PRIVILEGE

MR. LALONDE—PRESS MISREPORTING OF STATEMENT MADE DURING INTERVIEW

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wish to rise on a question of privilege. I would have liked the Leader of the Opposition (Mr. Stanfield) to be present in the House today, but unfortunately he is held back in his riding. I had the opportunity to speak to him last Friday and this morning. I trust he will be back tomorrow and surely will have the opportunity to make comments if he has any.

Last Friday, the Leader of the Opposition linked a statement I allegedly made the night before on television to racism. As a Canadian who has spent his adult life promoting understanding between the two major language groups in Canada as well as solidarity between all the ethnic groups which make up our country, I consider very serious this allegation made by the Leader of the Opposition. I attach importance to it, all the more because I consider the Leader of the Opposition as a man of honour who, in spite of many difficulties known to all, has proved many times his attachment to the same objectives.

I already had the opportunity to tell him personally how I felt about this last Friday. To avoid any misunderstanding about what I may have said last Thursday, I want to table, with leave of the House, a transcript of the interview between Mr. Eric Malling of CTV News and myself. The text speaks for itself and in my opinion justifies in no way the allegations of the Leader of the Opposition.

On the contrary, the interview rather appears to me like a defence of the most fundamental rights of every citizen and a call to avoid global judgments on the various ethnic groups which are Canada's wealth.

In fact, the only references to racism that may be found in the transcript are in the words of the reporter who interviewed me. I must add that the text does not justify either the introductory comments made by CTV that night.

I would like to raise another point of privilege, Mr. Speaker, concerning a report presented by CBC on the English channel during the 11 o'clock news last Friday.

Mr. Brian Stewart said on that occasion:

[*English*]

A furious Lalonde told reporters in the lobby that the Wasps are out to get the French. He said all Quebec was being smeared by the English media.

The attribution to me of such a statement is a total fabrication and a complete, unadulterated lie. I never said any such thing in any way, shape or form.

Some hon. Members: Hear, hear!

Mr. Lalonde: I have had this matter checked with some reporters who were present in the lobby on Friday morning and none of them can remember such a statement. Moreover, nobody remembers having seen Mr. Stewart around at that time. In fact, Mr. Stewart himself has

admitted he was not present. At best, Mr. Stewart has been reporting on hearsay, and at worst he invented what he said.

Some hon. Members: Shame!

[*Translation*]

Mr. Lalonde: Mr. Speaker, I can only express the deepest disgust and contempt for that type of journalism. I am asking the CBC to retract fully and immediately the statement falsely attributed to me, and of course, I reserve all my rights in every other way.

I trust, in addition, that the other journalists who based themselves on the comments made either on CTV News last Thursday evening, or on CBC News last Friday evening, will show the same zeal in denouncing those who misled them as they showed themselves in commenting the statements I was falsely accused of having made.

Mr. Speaker, with the permission of the House, I should like to table copy of the transcript of the interview between myself and Mr. Malling.

[*English*]

Mr. Speaker: Order, please. In so far as the question of privilege raised by the hon. minister is concerned, perhaps the easiest solution for the Chair is to point out that the minister has not followed his question of privilege with a motion seeking action on the part of the Chair. No action being sought, accordingly there is none the Chair proposes to take.

The minister has put forward for tabling, with the consent of the House, a transcript of the interview that was referred to extensively in his remarks. Ministers of the Crown, of course, exercise some rights in respect of tabling documents in the House, but under the Standing Orders this is not with respect to documents which fall outside their administration and responsibility. In other words, it would require the unanimous consent of the House for the minister to table this document. I presume this consent is forthcoming. In any event, I must ask whether there is unanimous consent for the minister to table the transcript. Is this agreed?

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Speaker, I shall be very brief in this matter. I was not in the House on Thursday and Friday when these events were alleged to have taken place. With regard to the first matter raised, having in mind the fact that the minister has tabled the transcript of the proceedings and has mentioned the name of the Leader of the Opposition (Mr. Stanfield), I wish to reserve the right of the Leader of the Opposition to raise this matter when he is here, if he wishes.

With regard to the second matter, we have enough problems in this country. I was glad to hear the minister say in this House that he categorically denied using those expressions. I accept his statement because it was made in this House: we are obliged to accept it. However, I must say that I am glad to accept it because we do not want to have the proceedings of this House and the political life of this country disturbed and marred by allegations and accusations of this kind. As to the rest, I would ask that the matter be reserved for the Leader of the Opposition to raise any issue arising therefrom when he returns to the House, if he chooses.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, on the question of privilege raised by the Minister of Nationsl Health and Welfare, I listened personally to the accusations of racism against the minister on television and on the radio. I think that all parties in this House must admit that if there is one hon. member who is not racist, it is the minister involved here. For instance, he never used his position to make racial discrimination against anyone, whereas I saw this in western Canada, among my good friends of the Progressive Conservative party who say in this House that if the situation is so bad in Canada, it is because of the "French Power" in Ottawa, because of the French Canadians.

● (1510)

Mr. Speaker, I think it is not serving Canadian national unity, it is not promoting cooperation either to make charges left and right against anyone, whether a minister, a member of the opposition, or some of my colleagues. I think we must look upon Canada as a country which is ours and in that country rather than devour one another we should at least try to understand one another and serve the best interests of the people of this country. In that respect, the minister is quite right in blaming CBC because it is nearly always shooting under par and in a mess. It is about time I think that the government as well as opposition members saw in those people, people who are interested—I do not know whether it is out of envy or jealousy—but who are interested in creating discord in the House of Commons instead of reporting accurately and honestly subject matters under consideration and the debates that take place here.

* * *

SENATE AND HOUSE OF COMMONS ACT

MEASURE TO GUARANTEE REPRESENTATION RIGHTS AND PRIVILEGES OF ALL PARTIES IN THE HOUSE OF COMMONS

Mr. Réal Caouette (Témiscamingue) moved for leave to introduce Bill C-418, entitled "An Act to amend the Senate and House of Commons Act (party status)."

Some hon. Members: Explain.

Mr. Caouette (Témiscamingue): Mr. Speaker, the purpose of this bill is to recognize that 12 members are needed to be recognized as a genuine party but once it has had 12 members elected that party will continue to be recognized as long as there is representation in the House of Commons. If at a certain moment all members of that party should disappear then it will have to have another 12 members at least reelected at another election for the party to be recognized but once it is recognized as long as there remains one member that party will continue to be recognized officially.

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

[*English*]

NATIONAL HOUSING ACT AND CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AUTHORIZATION FOR CMHC TO MAKE INTEREST REDUCTION GRANTS, CASH GRANTS, ETC., TO ENCOURAGE HOUSE CONSTRUCTION

Hon. Barney Danson (Minister of State for Urban Affairs) moved for leave to introduce Bill C-77, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act.

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

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, in the interest of expediting the debate on Bill C-73, I have a suggestion to make. First, may I point out that it is now December 1 and it is our hope and expectation that we shall be able to adjourn on December 19. I have been working with the House leaders in an effort to organize our time in such a way as to enable us to deal with all the important legislation which remains.

The debate today will be on Bill C-73. In the event that this debate concludes before the end of the day, I would suggest that the vote be postponed until tomorrow after orders of the day are called. I say this because there might otherwise be a disposition to prolong the debate in order to avoid a vote tonight.

Mr. Baldwin: We have no objection, Mr. Speaker. We have stated our position on the bill. Our views will be presented today by a number of speakers, beginning with the right hon. member for Prince Albert, but we recognize that the government has the brute force to put the bill through, so we see no reason for delaying it.

Mr. Knowles (Winnipeg North Centre): The suggestion is, of course, based on a hypothetical situation and we know what is usually said about hypothetical questions. However, if it should work out that the debate ends today, we would be willing to have the vote deferred until tomorrow. Maybe if the debate does not finish today but does finish tomorrow, we would agree to having the vote put off until the next day.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, at noon today we came to an agreement with the Parliamentary Secretary to the President of the Privy Council (Mr. Blais). I would like to point out to the Chair that our leader (Mr. Caouette) wishes to speak on Bill C-73. We would not like this to stand in the way of hon. members of the opposition or of the government who might wish to discuss this bill. Incidentally, I think December 19 would be a most suitable adjournment date.

[*English*]

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,210, 3,237, 3,245, 3,352 and 3,494.

[*Text*]

FREDERICTON RESEARCH STATION—BILINGUAL POSITION

Question No. 3,210—**Mr. Howie:**

How many positions are there in the Department of Agriculture's Dominion Experimental Station, Fredericton, New Brunswick (a) how many are designated as bilingual (b) what are the positions?

Hon. E. F. Whelan (Minister of Agriculture): 118 full time 19 casual, seasonal and part-time man-years. (a) Twenty-one; (b) one research manager, one secretary, one stenographer, one telephone operator, 14 scientists, three technicians.

DEPARTMENT OF SUPPLY AND SERVICES OFFICES; GERMANY, LONDON AND WASHINGTON

Question No. 3,237—**Mr. Reynolds:**

1. What is the cost of maintaining the Department of Supply and Services' contracting office in (a) Koblenz, Germany (b) London (c) Washington?

2. Has Canadian Forces Headquarters delegated local procurement powers to (a) bases outside Canada (b) ships at sea (c) aircraft on detached duty and, if so, what are they?

3. What dollar amounts are these respective DND offices allowed to appropriate?

4. In the year 1974, were there any exceptions where dollar amounts contracted out exceeded this limited figure?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Supply and Services and National Defence as follows: Estimate for the fiscal year 1975-76: 1. (a) $197,600; (b) $133,100; (c) $230,933.

2. (a) Yes. Through DSS offices for major cost items up to $100,000 and direct with the trade for items up to $5,000. All delegated procurement has to remain within the annual budget allocation for the respective Base; (b) Yes. Within budgetary limitations (1975/76—$130,000 for outside Canada procurement for fleet units) and as directed by Maritime Command Headquarters and direct with the trade for urgent repairs and authorized requirements of stores or services except where DSS standing arrangements exist; (c) Yes. Up to $25,000 direct with the trade by detachment commanders where appointed on behalf of aircraft captains for emergency aircraft repair, salvage, service fuels and stores.

3. See above paragraphs 2(a), (b) and (c).

4. No.

Order Paper Questions

IN-PLANT TRANSPORTATION CARTS

Question No. 3,245—**Mr. Reynolds:**

What was the price at which (a) Moody—SI Limited, Terrebonne, Quebec (b) the G.E.C. Elliott Mechanical Handling, Willowdale, Ontario (c) the E.K. Neuser Machine Company Limited, Downsview, Ontario tendered for the supply of in-plant transportation carts for use at the postal facilities in the Toronto area, as was contracted January 29, 1975?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) Moody-S.I. Limited, Terrebonne, P.Q.: $2,038,779; (b) G.E.C. Elliott Mechanical Handling, Division of English Electric-A.E.I. Canada Limited, Willowdale, Ontario: $1,496,750; (c) The E.K. Neuser Machine Company Limited, Downsview, Ontario: $1,226,842.96.

SUPPLY AND SERVICES—RELOCATION, MATANE, QUEBEC

Question No. 3,352—**Mr. Coates:**

1. Did the Minister of Supply and Services announce on August 14, 1975, that the Cheque Redemption Division of the Service Administration of DSS was to be relocated in Matane, Quebec and, if so, how many (a) jobs are there currently in this Division (b) jobs are projected for the new site (c) current employees have been found new jobs?

2. How many jobs of the Cheque Redemption Division (a) are currently (i) unilingual English (ii) bilingual (iii) unilingual French (b) will fit each of these categories after the move to Matane?

3. What arrangements have been made regarding the relocation of employees in Matane, Quebec and what will be the estimated cost of this relocation programme?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. (a) 255; (b) 255; (c) Employees are now being asked to indicate whether they wish to relocate in Matane.

2. (a) (i) 96, (ii) 32, (iii) 17. In addition, 110 jobs are either English or French; (b) Nil, 70, 188.

3. The estimated cost will not be known until after the survey mentioned at 1(c) is complete.

FEDERAL-PROVINCIAL EMPLOYMENT GRANTS

Question No. 3,494—**Mr. Fortin:**

In regard to the federal-provincial grants for job creation programmes, what are (a) the number of projects approved (b) their categories (c) the amount granted to each province (d) the number of jobs created?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Under the Winter Capital projects Fund, the following applies: (a) 1,523; (b) Loans to Provinces, 226; Loans to municipalities, 1,297; (c) Amount of Loan Advanced to September 30, 1975: Newfoundland $11.5 million, Ontario $38.3 million, Prince Edward Island $2.4 million, Manitoba $13.4 million, Nova Scotia $2.6 million, Saskatchewan $5.9 million, New Brunswick $13.8 million, Alberta $13.5 million, Quebec $113.9 million, British Columbia $27.8 million. Amount of Loan Forgiveness Claimed by Provinces as of September 30, 1975: Newfoundland $0.6 million, Ontario $5.1 million, Prince Edward Island $0.6 million, Manitoba $2.4 million, Nova Scotia $2.7 million, Saskatchewan $3.1 million, New Brunswick $0.4 million, Alberta $4.8 million, Quebec $12.1 million, British Columbia $7.4 million. (d) Data not available pending completion of "Census of Projects" currently underway.

[Mr. Sharp.]

[*English*]

Mr. Blais: Mr. Speaker, on November 7 last an incorrect reply was given to question No. 3,359. I would now seek permission of the House to have that particular question reinstated.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the third time and do pass.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not think there will be a more important bill before the House than the one we are now considering, at least not this session. I think it is interesting that as far as the government benches are concerned, there are very few members present. It appears they have concluded that no matter whatever arguments may be advanced, when it comes to a vote they will put an end to discussion in connection with this important matter.

My first words must be of congratulation to the Minister of Finance (Mr. Macdonald) for the manner in which he has carried out his ministerial responsibilities. I have always had a very warm regard for his parliamentary capacity and the manner in which he answers questions that are asked of him. The minister smiles at this moment. However, it is difficult for me to understand how a minister with his experience could have introduced legislation of this kind, legislation which has the effect of nullifying the legislative power of parliament and the interpretive and judicial powers of the courts. The bill will go through because it will be forced through by a government which, regardless of the inconsistency of its stand in connection with inflation, has brought about a situation in our country dangerous both to the economy and to society itself.

The minister is sometimes known as the "thumper". I decided to look at the dictionary meaning of that word. I find that a thumper is a person who uses banging and thumping. In other words, it says, to thump is to strike or beat heavily with a blunt instrument such as a club. If that definition were applied legislatively, it would describe what is happening in connection with this matter.

● (1520)

I have to say at once that if the vote comes tomorrow, I shall not be here. However, by the time I have finished what I have to say I think the House will be able to conclude how I would have voted had I been here. To make my position abundantly clear, it is not one of politics as such. This is a matter that requires the fullest consideration by parliament. In order to ensure the non-political nature of what I am about to say, I can do no better than to point out that in the other place a speech was delivered on November 24 by a senator who belongs to the Liberal party and is from the city of Toronto, Senator Daniel Lang. As reported at page 1447 of the Senate Debates, he said:

> The significance of Canada's absence from the Economic Summit Conference recently held in France should not be overlooked. I suggest it marks a new low point in how Canada is regarded by other nations, and a new low for Canada in the economic world order. From the end of World War II up until recent years, Canada would almost automatically have been included in such a conference.
>
> It is not difficult for senators to remember that in the 1950s our per capita income was the second highest in the world, exceeded only by that of the United States. Today, our per capita income is fifth ranking in the world, behind that of the United States, West Germany, Sweden and Denmark.
>
> It is not difficult to remember that during that same period, Canada enjoyed an international prestige and a small but real military presence, both of which ranked in the world second only to that of the great powers. Now, however, in the eyes of Dr. Luns, the NATO Secretary General, we rank scarcely ahead of Luxembourg, at least so far as our military significance is concerned.
>
> While Canada is still one of the few countries on earth combining natural resources of an immeasurable quantity and a high degree of modern industrialization, our development has now almost come to a stop, and strikes of national significance are paralysing our economy. Last year, only Italy exceeded Canada in time lost as a result of strike actions. It would not be surprising to any of us if we succeeded Italy this year to that dubious distinction.

He then goes on to deal with expenditures:

> Canadian governments at all levels have increased their spending by 300 per cent in the last decade; that is, from $14.9 billion in 1964 to $60 billion last year. In terms of the gross national product, that represents an increase from 31 per cent to 39.3 per cent. In other words, Canadian governments today at all levels control close to $40 of every $100 spent on goods and services in the country.
>
> Statistics for 1973, being the latest available, show that such percentage government spending is only exceeded by Sweden and Holland, and statistics for 1975 will, in all likehood, show Canada to be among the highest government spenders in the western world.

Further on in his speech he said:

> At the federal level, last June's budget forecast a deficit of $4.3 billion for our next fiscal year. Indeed, it looks like $6 billion, and many economists are predicting that we will reach $7 billion. Canada's federal spending in the first half of the 1975-76 fiscal year is up a whopping 30 per cent over last year. Our net public debt has risen from $18 billion in 1975 to $25 billion in 1976.

Sir, that view from an outstanding Liberal epitomizes the dangerous situation in which Canada finds itself today. I approach this matter by saying that it is the first time I have spoken on the bill. I have studied the legislation in detail and I have come to certain conclusions that I intend to place before this House.

The Prime Minister (Mr. Trudeau), after two years of "all is well", said in Winnipeg on September 13 that "the Canadian economy is not in very good shape right now" and he warned that "Canada could go down the drain if the economic picture does not improve". Nothing could be more definite than that. Canada's rate of inflation today greatly exceeds that of the United States, where the rate is almost 6 per cent. Trade is down. Productivity is down. Over and over again mention has been made of productivity. For some reason that I do not understand, the productivity council set up under my administration and which did such effective work was abolished as soon as the Liberal party came into power.

Canada's real gross national product is declining. Our growth is almost nil while, according to the lastest report from the statistical branch in the United States, that country's growth has risen 11.2 per cent. Food prices in the United States—along the boundary, at any rate, where many Canadians today do their shopping—are very much lower than they are in Canada.

Why has the government not acted? I will deal with this question in some detail. We are in a very frightening position. For three years the Leader of the Opposition (Mr. Stanfield) and the party as a whole have been pointing out the danger to Canada of the government's failure to take action. The answer was that it was of no consequence. So serious did the matter become by 1975, however, that finally the Prime Minister did speak up. I remember so well the ridicule heaped on this party and on its leader, yet it won the Liberals an election.

The Minister of National Health and Welfare (Mr. Lalonde) has taken properly, strong objection to anything being said that is not justified by the facts. I point out that the Prime Minister is one of the major wrongdoers in this regard. All through the election he said, "There is nothing to it; it is a matter that does not deserve consideration by Canadians". I remember his speaking in North Battleford, where he read from a speech that was apparently prepared by one of that company or battalion of extra officials who today clutter the offices of the Prime Minister and the Privy Council.

How frightening, Mr. Speaker, it was when he said: "Do you realize how serious the situation is in our country?" Yet he said there was nothing to it. The Conservatives say that there was. "What about the United States?", the Prime Minister asked. "How much worse off are they than we are? They had controls". I point out that their cost of living today is much lower than ours. The Prime Minister then went on to use these immortal words:

> Do you realize that in the United States they are gassing their children and killing off their hogs?

I wondered whether we had a modern edition of Herod, but it turned out afterwards that that was in his speech material and he had to point out that he did not really mean children but he meant chickens. That is the sort of thing that went on, Mr. Speaker.

We have endeavoured to be of every assistance to the government, disagreeing as we do with many of the terms of this legislation, by asking that it be restricted to 18 months and not continued through the life of this parliament, because the present plan means that it will be continued until the next election and this will emasculate the economy of Canada and we will be controlled and dominated by bureaucracy.

● (1530)

We also realize, and it is realized by Canadians today, that if action had been taken earlier we would not be in the position in which we are. The Leader of the Opposition asked that the term be restricted to 18 months, but the Prime Minister refused to accede. Why did he do that, having stated he would be willing to accept recommendations and suggestions from the opposition? The only one that was of any consequence he turned down abruptly and cavalierly, substituting a system whereby we might consider the matter at the end of 18 months but not through parliamentary examination.

The Prime Minister asked for co-operation but he denied it through his attitude and his determination to push this legislation through and actually placed the economy of Canada in a strait-jacket dominated by bureaucrats, without regard to any other consideration than their decision that this was the proper course to take through this legislation, intending to have it carried out regardless of any objection raised. The Prime Minister's statements during the election campaign regarding inflation were not true and he could not but have known that they were not true.

An hon. Member: Right on.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: His statements were in keeping with the three charges he made against me, all of which were the product of false information given him by some bureaucrats. Instead of following the parliamentary system of rising when a mistake takes place—all of us make mistakes—and saying he was sorry, but he was wrong, he stayed pat. All over this country the reaction to that attitude was one of general condemnation. I am one of those who want to believe the Prime Minister and expect to believe anyone holding that position, perhaps not in the conclusions the Prime Minister arrives at but, surely, in the truth of the factual situation.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I say without fear of contradiction that the Prime Minister deceived the Canadian people at the last election.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Furthermore, since that date, when the Prime Minister speaks on any controversial matters one does not ask whether what he said is true or false but whether it is true or "Trudeau".

Some hon. Members: Oh, oh!

Mr. Diefenbaker: That is a serious situation for a country to find itself in. I am going to show the way in which the Prime Minister turned from condemning the opposition for asking for qualified controls over a period of three months to bring about quietude to inflation. He said it was all wrong and it would not work, from the time of the election in 1975, and then when Pierre Juneau was brought into the cabinet—

An hon. Member: Who is he?

[Mr. Diefenbaker.]

Mr. Diefenbaker: All I can say is that the only attractive thing about him is the fact that his first name is Pierre. I would have thought that the Secretary of State (Mr. Faulkner), who is in charge of bilingualism, if he could do it would change the name of the constituency of Peterborough to "Pierreborough". That is how highly the name Pierre is regarded.

An hon. Member: Perhaps Hochelaga.

Mr. Diefenbaker: The suggestion is that it might be called Hochelaga, or perhaps even Stadaconna.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Let us see how the Prime Minister turned around. At the time they held a press conference for him when Mr. Juneau became a minister, these were the words of the Prime Minister of Canada. This article reads:

> Trudeau stated more emphatically than he ever has before that controls are not the answer to the problem.
>
> "The technique—the statutory technique—of freezing and controls does not solve the underlying problem".

He said a freeze would bring only "temporary relief" and that "no form of controls will keep the prices down for any period of time". The Prime Minister in fact said that under no circumstances would we have controls because as soon as controls went on, up would go prices. Strangely enough, there was a complete about-turn in the middle of October. Suddenly that thing which was regarded as the most dangerous economic nonsense was attractive. Suddenly he embraced that which he had always condemned.

What happened during those three weeks which brought about that change in viewpoint? It was not the fact that inflation had become worse, because the latest statistics from Statistics Canada indicate that in September the rate of inflation was 10.2 per cent and in October it was 10.3 per cent. There was no great increase and no change to speak of, yet suddenly he proceeded to disavow everything he had brought before the Canadian people. That is the reason why today across this country whatever he advances is regarded with suspicion by the Canadian people.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I have read this bill with care and I spoke about it, giving my own personal views, four days after it came into effect, when speaking to the Canadian Club in Toronto. I said that this bill simply places Canada in a trap. It makes a group of bureaucrats almighty masters in this country. In earlier days they used to sign letters "Your obedient servant". From now on that will be "Your all powerful master". I have never seen in any statute such a conglomeration of despotic bureaucratic powers given to anyone. The Prime Minister was in the cabinet of the late Lester B. Pearson and in one of his books he says, in effect, "I fear the control of bureaucrats who build up little empires around themselves".

The bill in its present form will dethrone freedom far beyond what is necessary in the public interest. It will build up an all-powerful bureaucracy virtually above the law; there is no right of appeal, except in the most limited sense, that in any way will protect Canadians whose rights have been interfered with. No power-hungry person or

bureaucrat could ask for greater powers for three years, which will be to the next election. The economy of Canada will be strangled by the political philosophies carried out by bureaucrats virtually above the law.

● (1540)

I do not trust this government. What kind of justice can be expected from a government when, on an appeal now before the Supreme Court of Canada launched by an alleged Mafia group, the Minister of Justice (Mr. Basford) and the Government of Canada have joined with these individuals in arguing before that court that the crime probe in the province of Quebec is unlawful. Why did the Government of Canada become involved in that? Are the Government of Canada and the Department of Justice afraid that justice will not be done to the underworld? Why add the advice of the Canadian government? At a time when crime is rampant as never before, why should the government argue that what is being done is not within the legislative authority of the Government of Quebec? The court could have found that out without the assistance of counsel for the federal government.

I intend to discuss this legislation very briefly, because if I were to take the time to analyse all the clauses it would involve a great deal of time. First of all, I suggest the question is whether this legislation is constitutional. It could easily be made constitutional by a simple provision in the preamble that an emergency exists, but the government did not dare admit that because it had contended for several years that there was no emergency. The government follows this tenuous trickery that can be found in clause 20. Of all the evasiness I have ever seen, clause 20 is in a class by itself. The Bill of Rights is swept aside, or at least an endeavour is made to sweep it aside, by a declaration under that clause which is not effective, as I see it, because it does not provide specifically, as the Bill of Rights demands, that the Parliament of Canada will in this case abridge the rights providing fundamental freedom under the Bill of Rights. Section 2 of the Canadian Bill of Rights reads as follows:

> Every law of Canada shall, unless it is expressly declared by an Act of the Parliament of Canada that it shall operate notwithstanding the Canadian Bill of Rights, be so construed and applied as not to abrogate, abridge or infringe or to authorize the abrogation, abridgment or infringement of any of the rights or freedoms herein recognized—

Just imagine the field day for the bureaucrats! We do not know what will be in the bill. We do not know what the guidelines will be. We are simply being given a pig in a poke, a skeleton on which there is no flesh and they will flesh it up after the legislation is passed. Under this bill the government will have unlimited right to change the guidelines. The bill provides for the setting up of an anti-inflation board which has the power to punish an individual for what he has done that contravenes the guidelines either in fact or in spirit. What greater power can there be than for a board to be able to punish a person for doing something in the spirit and not in actuality?

An administrator is to be appointed who will perform whatever duties are assigned him by the minister. Where the administrator is satisfied that there has been a contravention of the guidelines, or is likely to be, he may proceed to prosecute. If one's rights are trampled on, what appeal does he have? He has an appeal to the hired man of the government, the anti-inflation appeal tribunal. The appeal may be disposed of by a single member or by a panel of three.

Looking at this legislation as a whole, this nation will be under the dictatorship of the Prime Minister or the cabinet to a vritually limitless extent. They do not have to be concerned about any existing laws; they are set aside unless they come within the ambit of the provisions of this skeleton bill. What about appeals? I wish I could go into the detail of the appeals. They are meaningless. They grant no individual the right to protect his rights. The appeal is to the tribunal. There can be an appeal beyond the tribunal only to the Federal Court within such a limited area as to be almost without effectiveness.

If this bill should pass in its present form, the denial of individual rights can well be imagined. Individual rights will be at an end, because whenever the cabinet thinks there ought to be a few more guidelines, changes made in the guidelines or any laws made, it has the power to do so. That power is dangerous to freedom at any time. It can be changed every hour on the hour. What is lawful today under the guidelines can be changed tomorrow and made unlawful.

I shall say a personal word now. As I approach the setting sun of my life I can do no other than stand against the provisions of a bill that will destroy parliament. I stood against the Defence Production Act and Foreign Exchange Act which denied any right to the individual. Finally, after pressure over and over again, a change was made. Mr. Howe said that he would give them the right to sue in the courts, but that that would be restricted so that if they sued and were successful they would receive $1, without costs, because that would uphold the principle.

This legislation will be law; it will be put through. The ranks of the Liberal party are pretty thin today, with 15 or 16 members present in a majority government. They do not want to hear any criticism. This legislation will be passed. I do not want anyone to say I suggested that we in this country should break the law. If it is passed, it will have to be upheld. I have nothing but condemnation for the powerful heads of two or three of the big unions who have threatened to defy the law. That is anarchy. That would be dangerous to the future of Canada. But I would be less than honest if I did not oppose this bill which asks parliament to give the cabinet the power to pass unnamed laws. That is a denial of justice.

● (1550)

I have always been a reader of history, and I know of no example that is contrary to the principle which I now enunciate. My reading of history reveals to me how dangerous it will be, for it is filled with examples which show that when conditions are allowed to worsen to a point when in desperation people will accept arbitrary and authoritarian solutions, democracy ends. The powers that are asked for in this bill made a sham of parliamentary government and deny the rights of all Canadians.

The Prime Minister tried to sell this legislation when he went across the country. I have already mentioned that his credibility is at about zero, whether you consider it in Fahrenheit or in Celsius. He went everywhere across this country. The people sat on their hands. They charged them

$20—they must be well off in Nova Scotia—to attend a dinner to hear how good this legislation is. Then they sent out the Minister of Labour (Mr. Munro). The audience slept, or they did not stick around. Then they sent out the Minister of National Health and Welfare (Mr. Lalonde). The audience just laughed when he spoke because the people knew that they had been deceived.

The Prime Minister said, "Pull in your belts; restrain your expenditures". The words of the Scripture come back: Physician, heal thyself.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Let me give a few examples. Consider the Mirabel frolics. The hon. member for Central Nova (Mr. MacKay) brought them out.

An hon. Member: He attended the frolic.

Mr. Diefenbaker: He also brought out a number of these individuals who are parading around, experts who advise all these multitudes in the Prime Minister's office. Last year we spent thousands of dollars for these counsellors and advisers. Mirabel was opened. The frolics cost the people of Canada $214,000. I will not go into particulars because my time is limited, but let me give as an example the attitude of the Postmaster General (Mr. Mackasey). He is one who does not get involved in things like that. He just takes a stand and tells them all to go where they will. As to the rest of the government, they multiply the number of civil servants.

When we were in office, the largest number of civil servants was 200,000. Last year it was 290,000 and I think it has gone up another 10,000 since then. I have already mentioned the consultants. The Prime Minister gives a lead to this country. Never have we had such a spendthrift government with the Prime Minister leading. Harrington Lake was furnished for $32,000. The residence at 24 Sussex Drive, which all visitors from abroad who were there said was a wonderful place, has cost us so far $297,000. The centre office was redecorated at a cost of $61,000. They have stone animals out in front sitting on very deep, thick carpets because the Prime Minister says, "I like nice things". There are Eskimo carvings there.

This government, under the leadership of the Prime Minister, has been on an orgy of extravagance. When I was prime minister it cost $50,000 a year to operate the PMO. Under Mr. Pearson it cost $75,000: that was understandable. In 1968, when the present Prime Minister came in, he spent $406,000. In 1972 he spent $1,384,000, and the expenditure this year is expected to be approximately $2 million.

Then there is the swimming pool. Nobody knows who gave the money for its construction. I have never before seen philanthropists and individuals who conceal their help to the Government of Canada in this way. You pay for it and I pay for it, because in permitting them to deduct whatever expenditures they had from their income tax, they took it from our pockets. The swimming pool is so large that the 200-mile limit at sea, some say, will be taken advantage of by the Prime Minister.

I have dealt with the Prime Minister's residence, but let me mention a few facts about the cost of operating it. When he came in, it cost $37,000 and now it is $94,000. He goes politicking at the expense of the Canadian people. They blame Mr. Nixon for losing the election in Ontario. They should blame the $20,000 which was spent on helicopters. It has been an amazing performance. The government says to the people of Canada, "Don't spend, retrench; be careful. After all, your country needs restraint on your part". But the government itself, as an example, spends as never before on waste and extravagance in order to gratify those who benefit therefrom.

If you really want to find out what wonderful improvements were made at 24 Sussex Drive, let me tell you, but do not show this to your wives. In 1968-69, the cost was $27,000. Then we come to 1969-70. There are several pages of the wonderful things that were done there. For example, we see here easy chairs, carpeting and fixtures at $3,000. It cost $584 to repair the lights after they were put in. There is the purchase of a nest of tables and antiques. There are some minor items, but they look pretty well. Then we come to 1972-73: installation of Christmas tree, $2,100.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: But to the people of Canada they say, "Retrench; watch yourselves; do not overextend". Then we see crystal arms, whatever they are, at $881, and electric brooms. I know what they could be used for there. We see page after page of this.

An hon. Member: Give us some more.

Mr. Diefenbaker: Then we see a chandelier at $3,000, antique bronze cubes, whatever they are, for $436. This is a government with a Minister of Finance (Mr. Macdonald) asking Canadians to retrench, a government which by its own action has contributed to the frightening situation in which we find ourselves today. Our national debt has increased by billions since the Prime Minister took over. The deficit this year will be $5 billion, $6 billion or $7 billion. The Minister of Finance made a statement one day and I think he said it will be $5 billion or $6 billion; then the next day he said he did not have all the facts.

● (1600)

Where are we going? When this bill is carried into effect it will throttle the economy of Canada and in three years it will change our whole social fabric. While powers are needed in order to bring about controls, those who denied that they would ever be effective now embrace principles which are a denial of every principle of democracy; and parliament is asked to say that they are bad, they could be worse, and we will support them. I, for one, will not support this legislation until the government shows in its own expenditures that it is going to follow its own admonitions of retrenching. Taxes are up to heights never before equalled. Every time the government has a large deficit, it hits the cost of living and raises it. None of these things are to be faced. The minister says there are plans to reduce expenditures. They have not been brought before parliament. Until they have, it is simply a vocal exercise in acuity for him to say so.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I carefully listened while the right hon. member for Prince

Albert was upbraiding the government, more especially for its excessive expenditures. On that point, he is perfectly right, but it does not solve the problem stated in Bill C-73. The government had to resort to a rather special propaganda, despatching its ministers throughout the country to tell Canadians, boards of trade, unions, labour and management organizations all about the advantages of Bill C-73 for the Canadian people and the provisions in the bill to control inflation or to avoid its unbearable ravages in the Canadian economy.

We hear many of those ministers depict the world situation and say, for instance, that inflation in Canada is not as serious as in Spain, Vietnam, France and England, as if this were a remedy to the inflation now affecting Canadians.

Mr. Speaker, of course some people are against the bill, oppose it very strongly for various reasons. We are against it because it does not solve anything; it tends to worsen the situation rather than improve it and make consumers still less able to afford current prices. While the Progressive Conservatives fought an electoral campaign calling for the imposition of wage and price controls, today they turn back. They would like the controls to apply for not more than eighteen months. However, their whole campaign was in favour of controls. An objective look at the situation leads one to wonder what the government could do in eighteen months with the present structures of the economic system to arrive at a solution to correct it. In five years from now nothing will be solved. That is the way it will be with Bill C-73. The Progressive Conservatives for their part might have titled it Bill C-74, without solving anything more than the others.

According to NDP members, the controls are not severe enough; they are too flexible. They ought to be made still stronger and all-pervasive, similar to those which nationalization would imply. The government would become the employer, the boss of all economic activities in Canada. The partisans of socialism would be delighted with them. Well, we have examples of a number of socialist states where the cost of living has not been going down, but up like in many non socialist states. I feel that the cost of living in British Columbia is higher than anywhere else in Canada. And yet, a socialist government has been in power in British Columbia for three years already. There has been for many years a socialist government in Saskatchewan, as well as in Manitoba. Although in power at the provincial level, these socialist governments have been unable to prevent inflation from ravaging their provinces, as it does ravage Ontario, Quebec and the remaining provinces.

It is fine always to blame the federal government for everything that happens in Canada. Last night, I was listening to a lecture given on television by Mr. René Lévesque, the leader of the Quebec separatist party, who was again blaming Ottawa for inflation, for everything that goes wrong, for undeveloped natural resources. And Lévesque goes on saying again and again that in a normal country, a normal province, a normal state as the state of Quebec, this and that should be controlled, natural resources should be developed, mines should be nationalized, most of the production and consumption should be nationalized, and then the federalist system would be done for.

Mr. Speaker, René Lévesque was once the Minister of Economic Affairs or Natural Resources in the province of Quebec. What he advocates today, why did he not do it when he was a Quebec minister? When Quebec Hydro was nationalized in 1962, Mr. Lévesque then said: We want to be masters in our own house. That was back in 1962, thirteen years ago. Are we more masters in our own province, Quebec, than we were in 1962? It is worse than ever today. Mr. Lévesque, who nationalized electricity, said: We are going to become masters through electric power. Mr. Speaker, they were supposed to standardize electricity rates in the province of Quebec so that consumers would pay less. Today the rates are 10 times higher than they were before the companies were nationalized. That is René Lévesque's "baby". It is the same Lévesque who wants to nationalize the rest of the Quebec economy and who impresses the "suckers" in the province by making them believe that he would do better than those who are in power. What did he do anyway?

● (1610)

Moreover, when he was Minister of Social Affairs, what prevented him from raising pensions? Who prevented him from raising family allowances? Who prevented him from giving assistance to the poor at that time? Mr. Lévesque did not say that in 1962 or in 1965, but since he was defeated, now that he is no longer in power, he is capable of everything, whereas while he was a minister, he was incapable and helpless. People who are quite capable when they do not have to give any instructions, but who become quite incapable once in power, we have known some in the past, and René Lévesque is no exception.

Mr. Speaker, I was saying that the Progressive Conservatives now blame the Liberals for trying to apply restrictions for three years. They would prefer 18 months. Yet, they know full well that within 18 months they would not do any better. That is clear. The system implemented, tolerated and generated is the same for both parties.

Also, objections are raised by the unions. What about Mr. Pépin, of the CNTU, Mr. Laberge, of the QFL, and Charbonneau, with his goatee, calling for a 24-hour strike, which would bring the workers back to work 24 hours later still suffering from the hardships of Bill C-73? Do those people, i.e. Laberge, Pépin, Charbonneau and Chartrand, explain to their members what would happen if they were in power instead of the present government? What would they do? Some union members are stupid enough to believe that if Pépin, Laberge and Charbonneau were to take power forcibly tomorrow, the worker would be freed. It would be called "power in the hands of the workers", that is precisely when the workers would get kicked, you know where, by guys like Pépin, Laberge and Charbonneau.

Mr. Speaker, we have seen what happened in some European countries because of stirrers of trouble and strike organizers. What happened in Russia as a result of repeated 24-hour general strikes? They led to authoritarian communism. The same thing happened in all socialist countries throughout the world. It happened in Cuba, closer to us. When Castro fought against Batista, he wanted to overthrow exploiters, yes, but in the name of Christianity, of

civilization. But once in power, what did Castro do? He became a notorious communist. Today, when we hear he has built small houses for the workers, we should go and see the police system that exists in Cuba. Go and see the small socialist countries: do the workers hold the power and or is it not rather the union leaders who have become the government? In those countries, no one is free today. That is why the Social Crediters have been saying for a long time now that the day we lose our freedom, we will have put it in the hands of guys like Pépin, Laberge and Charbonneau. When that day comes, our freedoms will have gone forever, and we will never manage to get them back. What do those people want who fight for freedom? They only want to take the liberty of citizens, our own liberties, to seize upon them and then impose on us the dictatorship they have been dreaming of for many years. This is the danger with union leaders. Another has been keeping postal workers on strike for 41 days; a Mr. Parrot said to the workers: Vote against the settlement of the strike. Is Mr. Parrot going to refund the money lost by postal workers in Canada? Some postal workers have lost $2,000 in salary over 41 days. When will they make up for these $2,000? Never. They will not make up for this loss over a hundred years. But Parrot did not lose his salary during the strike. The other union leaders did not lose their salaries. But the head of a family, the postal worker, his wife and his children had only $40 a week for several weeks.

Is this the way to settle the labour problem? Mr. Speaker, and I say it again and again: Just prove to me that a strike is going to settle the labour problem and I shall be the first on the front line with the strikers. But since I know strikes, the end of a strike has always meant the beginning of another. When the contract expires, they still must strike to cancel or renegotiate a contract. Strikes have been known for 30, 40, 50 years. Is the workman better off now than in those days? In my view he is a hundred times worse off than 25 or 30 years ago! That does not mean the government program should be endorsed, far from it. The government program is a kind of law which promotes economic, social and political unrest throughout Canada. In what may? Let me tell you.

I recently asked the right hon. Prime Minister about the notorious Bill C-73. I asked him how he proposed, when the implementation of the program comes to an end, to balance the consumer's purchasing power with the increased production. I read over the clause of the act which provides for an 8 per cent salary increase to take care of the rising cost of living and which allows 2 per cent indexation and 2 per cent for miscellaneous, making up a total possible increase of 12 per cent. Therefore I told the Prime Minister: The 8 per cent increase is directly included in the cost of production of goods. Surely everybody can see that. The Prime Minister then replied: I have asked him. I then said: Since the worker who will obtain an 8 per cent increase will have to pay taxes on this increase, how will he be able to cope with higher prices, which will not be taxable since the producer or manufacturer or businessman will only have to raise his prices according to what he paid, to what it is costing him, and not a penny more. Therefore, the $800 salary increase will be translated by the retailer and the businessman into an $800 price increase because salaries are a factor of prices. There is no profit for the business-

man. It is simply the additional amount that he must pay for salaries. The Prime Minister says: The worker will have 8 per cent, plus 2 per cent, plus 2 per cent, which means 12 per cent, when prices will only increase by 8 per cent. I am very surprised to learn that the Prime Minister cannot add better than that.

Mr. Speaker, let us consider the example of a citizen whose annual income is $10,000 and let us set present prices at $10,000. This is false because prices are much higher than salaries. Prices are at least 40 per cent higher at the present time, and I am being conservative, not of the Conservative party, but conservative in my figures.

● (1620)

So, what happens? Let us say that this figure of $10,000 is equal to the worker's income, but prices now certainly represent $14,000 whereas the worker only makes $10,000. He is already lagging behind. This government tolerates such a situation. Usually, private enterprise is recognized the right of making profits, but we must fight inflation. We are going to ask manufacturers, businessmen, contractors not to raise their prices more than the increase in real costs. Take the example of the worker who earns $10,000 a year and gets the maximum to which he is entitled. He will get a raise of 8 per cent plus 2 per cent, plus 2 per cent, a total of 12 per cent. This is a $1,200 yearly increase, which means that he will get $11,200. Not only the 8 per cent is included in the prices, but also the 2 per cent. If the government paid the 2 per cent and also the other 2 per cent, I would agree because prices would only go up by 8 per cent. But the government does not pay anything.

The government says: You are entitled to this, but to nothing more. Then the 8 per cent, the 2 per cent, plus the other 2 per cent, are included in the prices, and it adds up to 12 per cent. And 12 per cent of the $10,000 figure I quoted earlier means a price increase to $11,200. So, prices reach $11,200 and the income exactly the same amount. The difference between the two figures is that when a businessman increases his prices by $1,200 according to the increase allowed, it is only a cost increase. It is not an increase in profits, because under Bill C-73, he is not allowed to make a profit on the $1,200 price increase since it is the cost price. On the other hand, the worker who earns $11,200 must pay taxes on his $1,200 increase under the Income Tax Act. He will pay at least $300 in taxes. Let us say 25 per cent. I think that $10,000 a year represents more than 25 per cent. But let us be conservative. When his $300 in taxes are paid, he has only a $900 salary increase left to pay a $1,200 price increase. The consumer has then $300 less than before.

The prime minister did not understand that. He said no: With 12 per cent, he will be able to buy 8 per cent. In fact, it is exactly the opposite. With 9 per cent, he will have to buy 12 per cent. It is impossible for consumers—

Mr. Roy (Laval): Do you have the income tax table? Who will pay the $250 in income tax?

Mr. Gauthier (Roberval): The consumer.

Mr. Caouette (Témiscamingue): Yes, the consumer is the one who will have to pay his income tax. The wage earner will pay his income tax, but the total increase

brings no profit. The employer has to pay the $1,200, not the government. It is not the Bank of Canada, but the employer who pays 100 per cent of those $1,200, and he will pay no income tax on that since there will not be any profit. He cannot pay income tax on something which brings no profit. The government therefore tells us in its bill that the businessman or contractor will pledge not to raise his prices more than the real increase in costs. So, the $1,200 are a real increase in costs, not with a profit, but without a profit. But the person who earns the $1,200 has to pay $300 in income tax because it is an income for him, it is not a cost, but a purchasing power. He will therefore get $900 for a price increase of $1,200. There is your Bill C-73, and that is why it will solve nothing. Year after year, the gap will become wider and deeper than it is now.

We advocate price controls, but if they are applied for three years, businessmen, small tradespeople, small manufacturers will have to close down. They will say: "We are not interested in working without a profit, and only apply a cost pass through method to our prices, and anyway we shall not be able to survive very long". That is exactly what will happen.

Consumers are now protesting everywhere. The other day, Jean-Luc Pepin, the new chairman of the Anti-Inflation Board, was right in saying about this act that the government is trying to do something, but the people do not agree. When you talk with a group of employers, they are glad to see that the wages will be frozen; they say it is a good idea. As for the wage earners, they object. The proof is that Pépin and his gang, Laberge in particular, and the good gardian angels who are in those unions, the QFL in particular, are not even able to get along; I learned with much satisfaction at noon that the steel workers strongly object to the 24-hour general strike plan. Gérin-Lajoie said so, then I think that he is the most reasonable and responsible person in Canada.

Mr. Speaker, Jean-Luc Pepin said: the employers are happy to see the wages frozen, but they object to the price freeze. Then, the wage earners of the unions are happy to see the prices frozen but they object to the wage freeze. So, Jean-Luc Pepin told them: Please try to decide what you want. If you want to help us help you we are going to do it but if you are there one against the other all the time, you do not mind if the other guy is squeezed but you do mind if you are squeezed. Everyone is going to have to be squeezed, or nobody will. He was right. If it freezes it must freeze but what will that give? That will give frost. What do you want? We will not know where we are going anymore nor would we have known where to go with the Progressive Conservatives and absolute controls of more than two, three or four years. Not at all. Not with socialization or nationalization.

We say that the gap between prices and the purchasing power is too wide. Here is a specific case. Suppose that prices are $10,000 and income is $10,000. At a certain moment prices increase by $12,000. If you tax the increase in salaries to go and get that amount or distribute that amount the consumer is not better off than he was. A retail discount at the retail price level would have cost a lot less than what the Anti-Inflation Board is now going to cost. It would cost a lot less in bureaucracy across Canada because we could have used the services of Statistics Canada, for example, which is practically useless, or the services of the governor of the Bank of Canada who sits around all day and does not know whether he must increase interest rates or bring them down who comes to us to try and make us believe that we are better off when the interest rate is higher because that prevents us from having recourse to new credits when everyone is caught at the throat, still being forced to go to banks, credit unions, financial institutions to pay interest rates of 12, 15 per cent.

We say, order a retail discount at the retail price level across Canada after agreement with retailers and the federal government. This would be a 20 per cent discount on prices of $10,000—which would reduce the price to $8,000. The purchasing power is then increased by $2,000 without taking a nickel out of the pocket of the consumer, the small wage earner or the average worker. The balance between products and consumers would then be restored. The other way would be, for example, to increase prices by 8 per cent. That adds to the cost price, you do not make a profit, nothing like that. Instead of saying that if we said to the worker that instead of paying taxes on his income we are going to give in a national dividend to fill the difference that exists between prices and his income. You would have some balance then. But in the present context, far from promoting balance we are increasingly promoting economic imbalance. This is why everyone, all social classes throughout the country, are revolting one against the other or against the government. Reference is made to division and separation. Quebec would be better if separated. In Saskatchewan, they feel their lot would be improved if they were separated. In British Columbia, they think they would be better with the United States than with Canada and while slowly but surely the foundations of a very rich country, one of the greatest in the world, Canada, are eroded, our figures and our accountancy system are not adjusted to our great opportunities.

Instead of a reflected kind of accounting permitted by our physical possibilities, our producing potential, our productivity potential, they try to reduce, to shrink down physical possibilities to figure possibilities, to the financial possibilities the governor of the Bank of Canada and the Banking Association of Canada want to force on us. But labour unions do not tackle that problem. Liberals, Progressive Conservatives totally ignore the existence of such a control. The New Democrats pass judgment on about everything there is, but they propose nothing to put the axe into the current financial system.

This is not the first time, Mr. Speaker, my colleagues and I repeat this in this House. As long as we do nothing to put our national accounts system in order, so that figures may be brought to serve the individual, as long as we do nothing in that direction we will have numerous bills such as this one. Because Bill C-73 will be enacted. It will definitely pass, whether we vote for or against it. The government has the majority so the bill will go through this House. It already went through the committee stage. Almost no amendments were accepted.

It will go through the Senate, where the government is also in a majority position. Bill C-73 will be enacted and forced upon the people. The right hon. Prime Minister said so the other night when he announced: "If the present measures are not rigid enough, we will strengthen them."

We will use the army if we have to, but the bill will go through, whatever the cost. The fight against inflation is a must. So in order to fight figure-inflation, we are going to fight the Canadian citizens at the same time. Let us crush them! Let us make them suffer as much as we can, in order to pay tribute to a monetary system that someday or other will have to be replaced by something more sensible. The most sensible—those who have been the laughing stock for years—and I mean the Social Credit Party, whether people laugh or not, I say this in earnest: Social Credit is not garbage, it is not a whim thrown the public, it is something reasoned, something serious and well analyzed. A lot of people do not understand it. I referred to the Canadian Broadcasting Corporation, the media, the stations, radio, those people that are always crying: Freedom of the press. People clamour for freedom of the press when that suits them, when their own freedom is at stake, but there is never enough time for reporting what is going on in the House. I noticed in the last few months that when statements are made in the House, CBC and *Le Journal de Montréal*, Péladeau's baby—I think his name is Péladeau—report that there would be three parties in the House: the Liberal party, the Progressive Conservative party, and the New Democratic party.

Social Crediters take part in all the debates; they are overlooked, ignored and that is what is called freedom of the press. That is the freedom of the press that was kicked out in some socialist countries and when socialism will be established here, all of you, press people, will applaud, you will have won your case and reaped your laurels, but until then and as long as I shall breathe, the dressing-down you will get will be a good one.

● (1630)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Carleton-Charlotte (Mr. McCain)—External Affairs; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Labour Conditions; the hon. member for Okanagan-Kootenay (Mr. Johnston)—External Affairs.

[Mr. Caouette (Témiscamingue).]

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the third time and do pass.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, for the past three years it has been clear that government action is necessary to curb inflation and stop the cost of living from rising at a steadily accelerating rate. In February, 1973, the official opposition in parliament urged the government to introduce a policy of price and income restraints as a means of curbing inflation. As you know, the government refused to follow this suggestion and price and income restraints became the main issue in the general election a year ago. Now the government has finally come to realize that price and income restraints are necessary if inflation is to be brought under control, and has presented its restraint program in the bill we have before us.

Already, many weaknesses in the program have been pointed out by members of the official opposition and others at the meetings of the Standing Committee on Finance, Trade and Economic Affairs. Some of these weaknesses have been corrected. Many remain to be corrected before the plan can work effectively to curb inflation. Two things which the government must do are the following: first, reduce the increase in the money supply to a range between 5 per cent and 7½ per cent per year. That is the range of increase which has made it possible to reduce inflation in the United States to around 6 per cent per year, half of what it is in this country today; second, keep the increase in government spending to no more than 8 per cent per year during the coming year, thus limiting the increase in government spending to the percentage the government will allow the people of Canada.

As old age pensioners, war veterans and others in need must receive increases equal to the increase in the cost of living, it will be necessary for the government to reduce other increases in expenditure to less than the 8 per cent a year in order to make an over-all limit of 8 per cent possible. Mr. Speaker, I intend to do everything I can to persuade the government to take these necessary steps.

Turning, now, to the situation which confronts us at this moment, I believe the important thing for us to remember is that however imperfect this program is—and we can only hope the government will soon have the good sense to correct its imperfections—it is the only program for controlling inflation which will be presented to this parliament. If the bill is defeated on third reading, the program will cease to exist. The result would be a continuation of the inflationary spiral, our products would continue to be increasingly less competitive with foreign products in both the Canadian and the export markets, and unemployment would rise until we found ourselves in an all-out depression.

It is for this reason I intend to vote for the bill and, if it passes, to do everything I can to persuade the people of this country to get behind the program and work in the national interest toward reducing inflation to around 3 per cent per year, the average for the past 65 years during which we have measured inflation in Canada.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on many occasions in the past few weeks we have registered opposition to the bill which is before us for third reading. This afternoon I intend to do so once again on behalf of the New Democratic Party. Our party has long been concerned about the effects of inflation in this country and throughout the world. Spokesmen for this group have at various times made many suggestions as to the steps we should be taking domestically to help bring down the rate of inflation. We have pointed out, too, that it is desirable to seek international agreement on measures to govern inflation since a large part of our own inflation is, as we know, imported. As a trading nation, this is an aspect of the issue we cannot ignore.

As has been stated earlier, we think the bill before us is inequitable since its primary effect will be to control the wages of working people. From this point of view it is a frightening bill and its effect in limiting raises in wages for the working people is likely to be very powerful. Contracts are negotiated in the open. It is easy to control the salaries of, say, teachers in Toronto or potash workers in Saskatchewan. I predict that the wage control aspect of the program will be firmly carried out.

I am concerned about the danger the bill poses to the collective bargaining system. In effect, many trade unions will have to negotiate with the anti-inflation board. I draw the attention of the House to a statement which was made, apparently, by Mr. Pepin over the weekend implying that the offer made by the Toronto school board was higher than the anti-inflation board is prepared to permit. Here is the chairman of the anti-inflation board making a judgment before the collective bargaining process has reached a conclusion. He is intervening in a dispute. These are matters that are of concern to the salaried workers of this country.

● (1640)

This bill is one that will quite adequately control the wages and salaries of workers. On the other hand, it will have very little effect in controlling prices, profits, dividends, professional fees and incomes of people derived from investments and corporate profits. To my mind, one of the prime reasons for bringing in this bill is that the government wanted to dampen down increased wage demands.

During the past year, wage demands have been rising. In 1970, wage and salary increases in this country, as a percentage of national income, stood at 72.8 per cent. In the first half of 1974, wage and salary increases, as a percentage of national income, had dropped to 67 per cent. By the end of 1974, there has been a reversal of that trend and wages and salaries started to go up, representing, as a percentage of national income, 69.4 per cent. By mid-1975, wages and salaries represented 70.8 per cent of national income. In other words, wage and salary earners in this country were starting to get more than their fair share of the national economic pie.

At the same time, business profits and interest fell from 21.1 per cent of national income in 1974 to 20.1 per cent by the middle of 1975. That is why I wonder whether this trend in the economy finally prodded the government into bringing in this bill. A spokesman in the 1974 election campaign said that a bill such as this would be very effective in controlling wages and salaries.

Let me go back to the first attempt of the government to bring in an incomes policy. One saw a similar economic pattern developing in Canada between 1969 and 1970. Wage increases were getting progressively higher and higher. Then suddenly an incomes policy was brought in which affected the wage earners more than prices and profits. I should like to quote a statement made in the "International Labour Review" of December, 1973, by one of the commissioners of the former prices and incomes commission of this country in 1969 and 1970, a fellow named George Haythorne, who explained why the first attempt to control incomes in this country was made. He said:

> From 1957 to 1963 the share of Canada's national income going to profits and capital had risen steadily. The situation was reversed in 1964 when labour's share began to rise, a trend which continued until 1970. Given these conditions ... action to stabilize the economy was clearly required.

Here is a commissioner on the prices and incomes commission in 1969 and 1970 saying that because labour's share of the national income was going up, the government had to do something about it. I suggest we are now in the same situation as we were a few years ago. In fact, in the 1974 election campaign the Prime Minister (Mr. Trudeau), when talking about the proposal of the Leader of the Opposition (Mr. Stanfield) to bring in a 90-day freeze followed by some kind of controls, time and again said that that type of program in essence would be a wage control policy. At this third reading stage I want to put on record a quotation from the Toronto *Star* which reported a meeting that the Prime Minister had in Timmins on June 28 as follows:

> Prime Minister Pierre Trudeau maintained his onslaught on Conservative prices and incomes restraint policies before a large noon hour crowd here yesterday.
>
> Mr. Trudeau said the proposed 90-day freeze, followed by up to two years of controls, would take vast numbers of bureaucrats to administer. Even then, it wouldn't work. He said: "You can't freeze executive salaries and dividends because there are too many loopholes to squeeze through".
>
> Mr. Trudeau said Conservative leader Robert Stanfield had already said he would not freeze the prices of farm produce and fish. He could not freeze the prices of U.S. imports or Arab oil, and he admitted he would exempt housing prices.
>
> "So what's he going to freeze?", Mr. Trudeau shouted. "Your wages. He's going to freeze your wages."

So here the Prime Minister is talking about a program that is very similar to the program that he announced to the nation on Thanksgiving evening, a program that in essence will freeze the wages of working people. As I have said, it is very difficult to control professional fees and salaries, or profits and prices, or dividends and other forms of investment income. Suddenly there has been a turnabout. A government that was elected primarily because it was fighting against this type of program has now brought in a program of wage controls and so-called controls on

prices in Canada. I do not think it is the sort of program that we on this side of the House should let the government get away with.

Experience of this type of program in other parts of the world shows almost every time that wages have been controlled much more effectively than prices. Take the United States, for example. In August, 1971, wage increases in the United States averaged 13.5 per cent across the board. At the end of 1972, wage increases had fallen to 6.4 per cent. There was very effective wage control in the United States. In 1971, wages as a percentage of national income in the United States were 74.5 per cent. In 1975, they had dropped to 72.5 per cent. Once again this illustrates that the controls program brought in by President Nixon was very effective in controlling salaries, the wages of railway workers and other workers in the United States. At the same time, the percentage of national income going to big business went up from 14.6 per cent to 16.2 per cent, once again illustrating that controls on professional incomes and the incomes of the wealthy from dividends, profits, and so on, are by no means so effective as controls on the wages of ordinary people.

There is no rigidly defined method of controlling prices set out in this bill. The regulations will not be published until the bill passes parliament, so we do not know whether the government is really serious about controlling prices. Even if we had prior notification of price increases, once again there are all kinds of problems that are very difficult to solve. For example, in Britain there was a controls program in effect from 1968, to 1970 which required prior notification to their prices board of any price increases. But this did not work. It was terribly impractical.

In Britain the government estimated there were some some three million price changes per year in the period when these price controls were in effect, and over this three-year period there were only 2,162 prior notifications. Out of that number, only 345 were rejected. In percentage terms, only 0.0004 per cent of the price changes in Great Britain were actually held back by the board or changed by the board. This demonstrates it is very difficult to control prices in Canada, whereas it is very easy to control salaries and wages. The real victims of legislation of this sort will not be people who are unionized, but those who do not have a trade union to speak and fight for them when it comes to bargaining for a salary increase.

● (1650)

We have already seen examples in Canada of employers in certain corporations using the guidelines as an excuse for not raising the salaries of the people who work for them above the 8 per cent or 10 per cent level outlined by the guidelines, in spite of the fact that there are exceptions in the guidelines for some working people. I think that is one of the very unfortunate aspects of the bill before us. If I were an employer, I suppose my natural tendency would be the same; that is to say, this is a good reason for not giving my workers an increase in pay. I do not think this is fair and I think it will aggravate even more the disparity in wages and salaries in this country.

Another thing that really concerns me about this bill is the immense power it gives to the anti-inflation board. It gives the members of that board the power to interpret whether a certain cost that goes into the increased price is legitimate. It gives the members of that board the power to make decisions as to whether prices can be held back and what a fair profit is going to be. In other words, it gives the board a tremendous amount of subjective power interpretive in making judgments as to whether to be tough on certain corporations. When that type of power is given to any board, I automatically look to see who makes up the board, what type of people are to hold this power. I ask myself if they are likely to be fair, and is the membership a good balance of the Canadian people, the business community, the senior citizens, farmers and all Canadians? Is it a good cross-section of the people?

In this regard I find that the people on the board, as the hon. member for Brant (Mr. Blackburn) has suggested, are really "poor" Canadians. They are people who have been involved in the business community as directors of huge corporations. They are people who do not really have any understanding of what it is like to live on a low salary in this country. These people will, naturally, have a certain bias in their approach and they will interpret these guidelines to reflect this bias.

I think the board would be much more effective, and fairer, if its membership reflected more what Canada is really all about. I want to spend a few minutes this afternoon putting on the record some of the background of the people sitting on the anti-inflation board. This is only a very brief sketch or summary of the background of some of them, but these people will have a tremendous impact on the people of my riding and on Canadians right across this country so I think it is only fair to examine the background from which they come.

First there is Jean-Luc Pepin, chairman of the board. If you examine the background of Mr. Pepin, you will find he has recently been the director of six companies in this country. He has been a director of the Power Corporation of Canada, Limited.

An hon. Member: And a university professor.

Mr. Nystrom: He has been a director of the Canada Steamship Line, Celanese Canada Ltd., Collins Radio Co. of Canada Ltd., Westinghouse Canada Ltd., and Bombardier Ltd. These are corporations in which Mr. Pépin, the chairman of the anti-inflation board, has served as director.

Incidentally, the Power Corporation, which is the largest Canadian corporate conglomerate, seems to have certain ties with the Liberal party. I notice that between 1968 and 1972, for example—it is probably just coincidental that Mr. Pepin was minister of industry, trade and commerce at the time—this powerful corporation received $10 million in federal grants. Here we have Mr. Pepin, with this kind of business contact in his background, as chairman of the board, expected to make decisions that will provide a balance between contolling profits on one hand and the wages and salaries of workers on the other. I noticed the other day that Mr. Pepin's salary will be $54,000.

An hon. Member: No, $40,000.

Mr. Nystrom: Mrs. Plumptre will be getting $40,000, but Mr. Pepin will be getting $54,000 to head up this anti-inflation board. He will be the person telling many people earning $7,000, $8,000, $9,000, $10,000, $11,000, $12,000 and $13,000 to tighten their belts and restrain themselves. After all, Mr. Pepin took a great cut in salary as well. In order to take over the chairmanship of this board, he had to resign his corporate directorships and give up any revenue or income he might get from them. He had to give up his pension as a federal MP and cabinet minister. He can no longer make speeches and charge a fee or stipend for that. He himself said he had to make a sacrifice in only getting $54,000, and it is only fair that the people do the same thing. What hypocrisy!

Things like this make it difficult for the ordinary Canadian, the little guy, to accept seriously the idea that the government wants them to tighten their belts and restrain their attempts to obtain larger incomes for themselves. Mr. Pepin is not the only one on the board who has very strong background connections with the business community. Let us consider the so-called labour representative on this anti-inflation board. That is William Ladyman, a former vice-president of the CLC and also a retired member of the International Brotherhood of Electrical Workers. This is the man the government has put on as the representative of labour, the working people of this country.

I find when I look into this man's background that he has had a couple of feet going in opposite directions. For example, in 1966 he became a director of the Polymer Corporation, thus putting one foot in the corporate door. Since then he has put his other foot in by becoming a consultant to the Great West Life Assurance Company. He has also been involved in several other endeavours that are clearly on the side of the corporate or business community. This is a man who does not in any way represent the labour interests of this country.

Then there is Jack Biddell and Harold Renouf. Renouf is a past governor of the Canadian Tax Foundation as well as a director of Associated Accounting Films International, based in New York. Mr. Biddell is president of Clarkson Gordon Ltd., an accounting firm. Earlier this year he made the statement that the government should encourage company and regional unions. Again, I think we have someone here who has a clear bias on the side of corporations and business.

As the remaining members of the board we have Claude Castonguay who has been a very prominent member of Mr. Bourassa's cabinet in Quebec. After he left provincial politics he, too, re-entered the business community as a corporate consultant and picked up a directorship in IMASCO Ltd. Then we have dear old Beryl Plumptre, the former chairman of the Food Prices Review Board. Again, her bias is very clear. She was chairman of the Food Prices Review Board in this country for a long while, but failed to find any excessive profiteering in the food industry. She was able to state that increases in the wages of the working people were primarily responsible for inflation in this country. She also said that marketing boards and government agencies which represent farmers were responsible for inflation.

These people have a clear bias. This board is not balanced at all. It has a clear bias on the side of big business and corporations and I would be very surprised, indeed shocked, if the people on the board in any way tried seriously to control profits and prices in this country. They believe in the free enterprise method. They believe that the making of big profits is a really good thing. They believe that the bigger the profits, the bigger the reinvestment in the economy and the better the economy; that somehow the benefits will trickle down to the people at the bottom. This is the bias they have and I do not blame them for it. If you are to set up an anti-inflation program in this country and have a board to administer the program, surely the membership of that board should reflect all aspects of the Canadian economy. If that were the case, you would not have a single member now on the board representing the same point of view and probably supported by the Liberal party in this country.

● (1700)

Let us look at some of the loopholes in this bill on the price side. There are many loopholes to which no answers have been supplied by members on the opposite side. First of all, price increases will be accepted in general if the cost of producing the product goes up. How do you determine whether these are legitimate costs that are pushing up the prices of products to new levels? How do you police the transactions which go on within a corporation? How do you police what one arm of a corporation may sell to another arm of the same corporation? How do you police Bell Telephone when it deals with some of its subsidiaries?

These are questions which were not adequately answered in the committee. The only answer was that the board will have to make decisions, that it will have to use its best judgment. That is the reason I am concerned about the people on the board. If the board were more reflective of different thoughts, different people and different groups in this country, perhaps we could have a balanced interpretation of the law in respect of this program regarding which we have asked questions. But when all the people have a bias toward corporations, when between them they share many corporate directorships, I am certain the board will reflect that bias when making decisions of this sort.

How will they, for example, deal with the question of foreign ownership? How will they know whether or not a Canadian subsidiary is paying a fair price for something it purchases from its parent in the United States or some other country? How will they do that? Once again they will have to make a decision on the best information they have. I am sure their decision will reflect their bias. Once again may I say that if we had better representation on the board, I would be much more confident concerning the decisions made.

As if that is not enough, there are two exclusions written into the bill. A corporation will be exempt if it has an unusual productivity gain. What is an unusual productivity gain? How does one define that? I am sure the hon. member for Timiskaming (Mr. Peters) would define it in a different way than the chairman of the anti-inflation board, Jean-Luc Pepin. There is another exemption for an unanticipated cost development or cost benefit. What the devil is that? What is an unanticipated cost benefit or cost development? Maybe we should hire a psychiatrist or a

psychologist to sit on the board so that he can go to all these companies, such as the Power Corporation, Safeways, Loblaws, General Motors or any similar company to determine whether or not their cost benefit was unanticipated. We could have a lot of fun with that.

Once again, we have a board with the people on it now making that decision, and I am sure their definition of unanticipated cost benefit would be different from that of someone representing the working people, the farmers, or someone with a different point of view concerning how the economy should be run. These loopholes in the bill cause me to have a sense of lack of confidence in the government and in the program which has been brought before the House.

Then there are other inequities. We have the half-hearted attempt to control the fees of professional people. It seems to me the only way we can control the incomes of professional people is to tax back at a rate of 100 per cent anything over the maximum increase of $2,400. Many people in this House—including the minister, I believe—have stated that when you control the fees of professional people such as lawyers and doctors, they can get around that by seeing more clients or patients or, in the case of lawyers, by seeing more expensive clients. Even though their fees are frozen, their incomes can still go up by well over $2,400.

There are many dangers involved. In the case of medicine, for instance, the doctor could see his patients for a shorter period of time than usual and therefore perhaps see more patients a day. There is the possibility that the quality of health care in this country could decrease. There is also the hypocrisy and irony of allowing professional people to go above the so-called ceiling of $2,400 a year while working people and ordinary people must remain within the guidelines. If this program is to work, that part of it must be enforced. The government must be prepared to tax back at the 100 per cent rate any income above $2,400. If it is not prepared to do that, why in the devil is there this ceiling of $2,400 in the first place? Either the government is serious about this or it is not. If that is not done, this will be another part of the program which will turn out to be a farce.

Another thing which concerns me is that this year—we have heard very little debate about this—we are holding International Women's Year. Supposedly, as a country, we are trying to remove some of the inequities between men and women when it comes to salaries, working conditions and general treatment right across the country. Any bill that in essence will freeze or control salaries at a certain percentage will widen the inequity. If there is to be a salary increase of 10 per cent, this really means there will be more for someone making a bit more than there would be for someone at the lower end of the salary range.

We know that in general women receive less wages and are paid lower salaries than men. This type of program will freeze that inequity into the law for more years than might have been necessary. Indeed, it will widen the gap in salaries between men and women in Canada. I think in the past year or so there has been an attempt by some employers in this country to narrow the gap between women and men in terms of salaries. If we look at the guidelines which have been brought down, this type of attempt may not be justified or allowed by the anti-inflation board if the increase in the salary of women happens to be above the guidelines laid down.

Another thing that concerns me in the guidelines, because the bill does not really say anything at all except mention the power to control salaries, prices and so on, is that dividends probably will not, in effect, be controlled as rigidly as salaries. Many people have pointed out that dividends will be frozen and have asked what the poor investor will do. I do not think that argument has much credibility. Dividends can be withheld by companies; they can be held back until after the program expires. Also, dividends could be plowed back into the corporation, thus increasing the value of the stocks, bonds or shares of the corporation. Once this program has been terminated, someone could cash in the bonds, stocks or shares and reap a capital gain. That is one way to get around it. Again, that is not fair. It is the person who has the money to invest who will not be affected as greatly as the janitor in your constituency, Mr. Speaker, or the CPR worker in my constituency.

Another thing in respect of this bill which I believe to be hypocritical is that before the bill was brought in, before the Prime Minister's announcement to the cabinet and immediately prior to the Thanksgiving night announcement, senior civil servants, senior executives and deputy ministers in this country received very large salary increases. Some of those increases were over $6,000 a year, on the very eve of the government saying to ordinary Canadians that they should tighten their belts and we must all make sacrifices and restrain ourselves, otherwise there will be real problems in respect of the economy.

Some of the civil servants who were involved in drafting these regulations and the bill received very large salary increases. When that happens, I believe it is very difficult for the ordinary Canadian to take the government very seriously. I think the goal of the government should be to redistribute income in this country and redistribute wealth. The bill before us today will not do that. In essence it will freeze some of the inequities we already have in the economy.

Another concern I have, which I should like to mention briefly, is in respect of government spending. I think all of us in this House would agree there is waste in government, that the government's spending in many areas could be cut back. The right hon. member for Prince Albert (Mr. Diefenbaker) today mentioned that the Prime Minister's office had paid for a very expensive Christmas tree. Then there was the example of the swimming pool and other such waste. Surely many, if not all, of these things could be cut out. There are extravagant contracts which could be cut back. Information Canada and such agencies certainly could be cut back.

I want to say, however, that there are many social programs which should not be cut back. Many of them in Canada should be expanded. These are things the government will have to be very careful about in controlling inflation. Our party has said a number of time that the best way to control inflation in this country is to control the prices of the commodities we produce. Commodities such as oil are already controlled. Let us expand the two-price system to other commodities such as iron ore, nickel and

timber. This would be one way of bringing down the inflation rate in Canada.

● (1710)

Another way would be to control interest rates, control financial institutions and control mortgages in Canada. Another thing that could be done would be to control the price of energy. Also, we could do certain things in the area of food, that commodity being one of the greatest targets of inflation. If you had orderly marketing and price guarantees for farmers, there would not be the constant pressure on the price of food in Canada. These are things that could be done and our party has spoken about them often.

I want to say, in closing, that the government will not see its program succeed unless it makes radical changes to it, because in order to succeed the program must have the co-operation of all Canadians. In fact, most Canadians are probably very skeptical of the program. Two of the major parties have spoken against it and the labour movement is opposed to the program, as are many provinces who are asking questions about it. Unless changes are made, the program will not work. Certainly our party cannot support it on third reading.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I must apologize for a certain change. The hon. member for Don Valley (Mr. Gillies) was scheduled to speak at this time. Unfortunately, he felt that the inexorable advance of time precluded his waiting long enough to make his speech; he was due to catch a plane in less than an hour's time. He apologizes to the House for not being able to make his speech.

I am also conscious of the fact that this has upset the hon. member for Duvernay (Mr. Demers) who has yielded his place to the hon. member for Don Valley. I was to speak afterwards. It will be possible for the hon. member to follow me, because I do not want to lose my place, having appeared on the roster at this time. I am sure the hon. member for Don Valley would have been interested in participating in the debate at this time. After all, 46 people spoke on second reading, ten of whom were on the government side. The hon. member for Don Valley was precluded from speaking. We will have the benefit of his views at some other time on this subject, because he will be out in western Canada tomorrow.

We have reached the stage where the public has been heard, the minister has defended his bill, and the Standing Committee on Finance, Trade and Economic Affairs has had extensive hearings and discussions with the minister and outsiders who made representations with regard to this part of the anti-inflation program. Where do we turn from here? The government proposed certain amendments. The minister did not clarify the position of the government with regard to certain matters. The chairman and vice-chairman of the anti-inflation board appeared before the committee but, frankly, they left us puzzled for the simple reason that they were asked questions about problems for which they have no solutions yet. There will be some very rough justice in certain areas, but undoubtedly with experience they will be able to fashion certain rules and regulations which will make it easier for the people to accept the program or, conversely, will scuttle the program if too many exceptions are made.

The problem here lies, I would say, in the total policy of the government. Let me try to put the story together. The government's absolute opposition to controls as one means of attempting to curb inflation back in 1974, and even in 1972 when inflation was much less rampant than it is now, is incomprehensible. My colleagues, particularly the right hon. member for Prince Albert (Mr. Diefenbaker), indicated that there had been palpable dishonesty with the Canadian public in 1974—and that is true.

I could underline the great crime that was committed by the Liberal party in 1974 with regard to inflation and trying to blacken the program of controls. They did a masterful job in Ontario when the NDP aided and abetted them to the point of almost annihilating themselves because they came up with the Prices Review Board with the power of roll-back which obviously applied to wages as well. It could not do anything else but that, and therefore it was wiped out. Then a mere 13 months later we saw the government in a panic with regard to inflation, deciding to warm up the idea of controls. As the Prime Minister (Mr. Trudeau) has said many times, this was always the ultimate weapon, the ultimate defence. While attacking it as being unworkable, it was still to be the ultimate defence.

How the Canadian public was bamboozled into accepting the program, I fail to understand. In my part of the world there was never any hesitation as to what the controls were to be, but the people feared inflation more and they were prepared to accept controls. Certainly they were not a hidden factor in the election. Now, having reached this point, why has the Prime Minister not been present at this debate to defend his complete change?

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): He was so free with his ridicule, not only of the program but of the Leader of the Opposition (Mr. Stanfield) and his economic program. All those on the other side ridiculed the idea. Now we have their version of income, rent and wages controls, but who do we hear at this stage, after the examination? Undoubtedly we will hear from the minister, but what about his parliamentary secretary? He is a genial character, well liked by federal members on the committee. I would like to hear the hon. member from Montreal-Bourassa (Mr. Trudel) defend this program.

Where is the hon. member for Windsor West (Mr. Gray)? Where is the hon. member for Ontario (Mr. Cafik)? Will they be here to defend this bill on third reading, or will they be part of a mute majority—

Mr. Béchard: Why are you so mad, Marcel?

● (1720)

Mr. Lambert (Edmonton West): —who are going to emphasize the type of, shall we say, mulish conduct which we saw at the beginning of the committee hearings? There was an absolute refusal to consider opposition amendments. There are some good lawyers among hon. members opposite, and I know the hon. member for Maisonneuve-Rosemont (Mr. Joyal) knows what clause 20(8) means—that in the full analysis the powers in clause 20(8) are as great as even those contained in the War Measures Act of five years ago.

What happened to the hon. member for Ottawa-Carleton (Mr. Turner)? Where is the former minister of finance in the total picture? Incidentally, he is not out of town or on some government mission. In representing his constituency, this is a program with which he should deal. I should like to hear from the man who is the resident member of the constituency of the district in which I live in Ottawa. My neighbours would also like to know what he has to say about the government's proposals to deal with economic consequences, over which he presided.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): He is the man who was responsible for the economic policy of this country for three years. What has he to say, and why is he not here helping and advising his colleagues? He has a tremendous amount of knowledge. He knows more facts about the economic situation in this country than any other man in this House with the possible exception of the present Minister of Finance (Mr. Macdonald). Why is he not here to advise the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) or the hon. member for Gaspé (Mr. Cyr)?

[*Translation*]

The member for Bonaventure-Îles-de-la-Madeleine because he might benefit from the advice of the hon. member for Ottawa-Carleton (Mr. Turner) in that regard. But there is as always a conspiracy of silence.

[*English*]

I am told that when the word went out to take down from the shelf the plan for the ultimate defence, government officials, particularly those in the Department of Finance, soon realized that if they were going to implement a system of controls the first step would have to be a freeze, but on hearing the word "freeze" the Prime Minister—

Mr. Baker (Grenville-Carleton): "Froze."

Mr. Lambert (Edmonton West): Yes, froze in consternation because within a year he would be adopting the economic program of the Leader of the Opposition which he had so ridiculed the year before. That was too strong even for the elastic, shall we say, conscience of the Prime Minister; therefore we did not have a freeze. That word was banned; that aspect was cut out of the program.

Then, however, we had the spectacle of the chairman of the anti-inflation board and the vice chairman, and hon. members of the House who are members of the finance committee, including the hon. member for Montreal-Bourassa, will readily remember how Mr. Pepin and Mrs. Plumptre said that of course it would have been preferable by far to have had a freeze, because everything is now running away from them; they are under pressure and they do not know how to bring the situation under control. That is the story behind this program. I believe that a properly instituted program of controls is one thing that should have been instituted long ago to deal with inflation.

I am not going to go into the other aspects of inflation. This is not a debate on dealing with total inflation in this country; it is a debate on Bill C-73 dealing with the government's proposals with regard to controls. I also assert, because it was part of the proposition I put forward in 1974, that in addition to a freeze there should be a period of 18 months to two years for the establishment of appropriate controls in the various aspects of the economy. There would then be no feature which could really escape, because a study of the problem indicates that if you touch rents or those things which go into determining rents such as taxes, utilities and labour costs for maintenance have to be frozen; otherwise the whole thing becomes nonsense. The effect spreads all through the total economy, and the sooner it does, the better for the country.

There would have been some rough edges. But, after all, the malady is so serious that the remedy which must be taken must be Draconian. Also, it must be seen that the government means what it says and that everyone is included. There must be a mobilization of every individual in the country in order to achieve the desired end. I did not want to talk about inflation, but people on limited and lower incomes should be the first to endorse this type of program because it would serve to protect their rapidly diminishing incomes and holdings, whatever they may be, through double-digit inflation. Yet we hear people trying to encourage them to knock such a program on the head, telling them that this is only good for those people who have economic power.

Mr. Blackburn: Right.

Mr. Lambert (Edmonton West): That is totally wrong. The people who will be helped by these controls are those who are otherwise helpless. Those who wield an economic crunch will be contained. People who belong to strong unions are in the same category as a strong, shall we say, industrial association.

Mr. Blackburn: Strong law societies?

Mr. Lambert (Edmonton West): Yes, absolutely.

Mr. Blackburn: They are going to suffer?

Mr. Lambert (Edmonton West): Yes, they are.

Mr. Blackburn: Oh!

Mr. Lambert (Edmonton West): If the hon. member knows so much about this legislation, he should get to his feet later and debate this point.

Mr. Blackburn: I will.

Mr. Lambert (Edmonton West): All right. We have another person who will participate. I wish to discuss some other difficulties with regard to these proposals, certainly the interpretation by the hon. member for Yorkton-Melville (Mr. Nystrom) with regard to professional salaries and incomes, that they can be contained merely by a figure of $2,400. However, the professional going from an articled student to a practising lawyer is not just producing that many more bricks. What about a doctor going from residency into practice, or from a salaried position to that of a partner in a group practice, or an architect who does the same, or a consulting engineer? I invite hon. members to read the brief of the association of consulting engineers. They point out some problems. It may be very nice to kick at their incomes, but they are the doers. They are the

people who put the packages together to make it a certainty that down the line people will be working.

Mr. Blackburn: How do you make combines without workers?

Mr. Lambert (Edmonton West): Consulting engineers are the ones who have to be encouraged to make the economy turn. It is not the man with the shovel who makes the economy move; it is the man who makes the proposal, who puts the package together and who undertakes the risk, whether he is assisted by government or otherwise, to produce goods and services.

● (1730)

How does the construction industry work? All the thousands of people working in the construction industry are not all working on Olympic Games sites, or Mirabels. How many are working on apartment buildings? Today the Minister of State for Urban Affairs (Mr. Danson) told us that the building of apartments in this country is coming to a stop. At the same time, in places like Regina there is a zero vacancy rate. That prompts the question, why do rents go up? Obviously, because there is a shortage of apartments. Why is there a shortage of apartments? We are given a multiplicity of reasons, including some shallow ideas with regard to the environment, the quality of living and the influence of people who belong to certain little reform groups, made up mostly of tenants with no stake in the area in which they live because they are transients. However, no apartments are going up.

Then people start to wonder why key money must be paid; why all sorts of prices go up. Naturally they go up; there is a scarcity. It is the same with the workman who is in great demand. Will he not say, "Sure, I can get along on $5.50 an hour, but if they offer $7.50 an hour across the street, that's where I will go." He maximizes his return. It is good for him that he does that, but is also good for the other fellow.

The anti-inflation board realize there are difficulties. Mr. Pepin has said, even before the board has held any hearings, that he is having nightmares about some of these problems. Yes, he can see the difficulty. The settlement with regard to the Post Office presumably will be at 39 per cent. On the other hand, the day before that settlement the anti-inflation board told the Toronto secondary school teachers to go home, as the school board's offer of 39 per cent—I am putting the matter purely in percentage figures—was too great for the school board to pay and well beyond the guidelines.

It is the percentages that stick in the craw, no matter whether the settlement is for one, two or three years. People see the figure being offered by way of increase. They see that the 39 per cent offered by the metro Toronto school board to its teachers was insufficient for the teachers and led to a strike. If 39 per cent in the case of the teachers is beyond the guidelines, what can one say about the settlement with regard to the Post Office workers? What can one say about it, if it is 39 per cent? With regard to this matter, I think many editorial writers and commentators both inside and outside this House are engaging in demagogic appeals to baser instincts when making such comparisons in percentages.

There is also the question of marketing boards. Are they, or are they not, covered by the guidelines? The hon. member for Windsor West, a copy of whose speech of November 17, delivered in Calgary, I have in my possession, said something about marketing boards. I quote part of his speech as follows:

> At the recent national Liberal convention, the Prime Minister said, in part—

He quoted the Prime Minister as follows:

> We are coming in with . . . guidelines applicable to everyone, because we are asking everyone to show this sense of co-operation on which our society is built . . . and even those we hope we don't have to control by the force of law, we are asking them to co-operate with us voluntarily.

That is the end of the quotation attributable to the Prime Minister. The hon. member went on to say:

> These words like those of the Minister of Agriculture in St. Jacobs, Ontario, could imply to some at least that the guidelines—that is, the rules for acceptable price and salary increases—would apply to farmers but would not be enforced against them by the compulsory selective controls provided for in Bill C-73. However, what does the government's own policy statement—the white paper—actually say about this? On page 18 it says "prices received by farmers and fishermen are exempt from the guidelines."
>
> And at a meeting of the finance committee on October 30, the Minister of Finance referring to that white paper which he, himself, had tabled in the House, said "That is the one I go with."

The speech continues:

> You can see why I say some clarification by the government would be helpful so that we would know whether the words of the Prime Minister and the Minister of Agriculture reflect current policy or whether the words I have quoted from the white paper still apply.
>
> The Minister of Agriculture appeared to say in the House that marketing boards are covered by the guidelines. He also said at that time that "they cannot inflate prices beyond a fair level because the National Farm Product Marketing Council is the watchdog over national marketing boards and there are representatives of consumers, producers and business on the present council which demands that prices paid to producers be based on the cost of production and the reasonable return for their investment."

I quoted extensively from the speech simply to show the complexity of the problem. When ordinary citizens, farmers and other producers ask whether marketing boards are going to be caught by the guidelines, one minister says yes and another no. But the anti-inflation board representatives think marketing boards should be included.

I have raised certain problems. If a marketing board is caught by the guidelines with regard to the prices it is going to charge at the next level, say to the wholesaler or retailer, that marketing board will make felt the controlled price at the stage ahead. In other words, the producer will then find the marketing board saying, "Look, prices are fixed; that is all we have to pay you, all we can pay you, and it is what we are going to pay you." The farm gate has always been open. I could never understand that you could not get behind the farm gate or into the fisherman's dory. Certainly, the marketing board will do that.

I raise another question. Does this government want to allow the anti-inflation board to monitor food prices to the same extent as was being done by the Food Prices Review Board? As former minister of consumer and corporate affairs, the hon. member for Windsor West said in the speech referred to:

> If so, it should say so clearly and make any necessary changes in the guidelines and legislation now under study without delay. If it does not

want the new board to have this kind of authority it should explain why such authority was considered necessary and desirable prior to October 14, but is no longer necessary and desirable since that date, although food prices continue to be an area of concern for Canadians generally.

As I say, the author of those words was the hon. member for Windsor West. I have alluded to some problems and I now raise the question of requests for exemptions. The government has received requests for exemptions from teachers' federations, from the Canadian Teachers' Federation, the Ontario Teachers' Federations, this group and that, professionals and others. I hold in my hand a brief from the Association of Consulting Engineers. They ask for certain exemptions. This is happening all the way through the economy, and herein lies one of the problems which we must recognize.

Having said that, I say that certain features of this legislation I cannot find acceptable, one being the blank cheque parliament is being asked to write. The government wants this program to continue to December 31, 1978, or after the date of the next election which would be the time of accounting to the public. It could end on a date fixed earlier, but I do not think that will happen. There is a provision whereby the government, with a majority, could pass an order in council extending the program for one, two or three years. There could be a debate, but with a government majority it could pass.

In addition, as indicated by some of my colleagues previously, there is the question of the government's entry into or interference with all lines of business. At one time the Prime Minister said that the government has no place in the bedrooms of the nation. However, with this bill and other proposals the government will have the right to live in and share every boardroom in the country, every manager's office, the office of every business. It has the right of access and to share in the offices of any union.

● (1740)

Look at the powers that are incorporated in this bill. Are they subject to review by this House? No. Orders in council will have to be passed and, when passed, will be subject to examination by the committee on statutory instruments. However, that committee cannot reject any order in council that is passed according to the terms of legislation. No matter how outrageous it might be, provided there is no legal contravention, no order in council can be rejected. That is a pretty safe wicket.

Looking at the powers given to the administrator, there is a limited appeal. Ultimately, although I am not sure of this, perhaps on a point of law there might be an appeal to the Federal Court, but only on a point of law. It is all made to order for a very, very tight system.

I again quote the Minister of Finance who said that the system being set up was frightening. Of course it is. It is one of the most frightening things we could have under peacetime conditions. I am astounded at the equanimity with which it is being accepted. That is point number two to which I object strongly in the bill. I object even more to clause 20 than to the terminal date.

One other reason why I do not think this should get our support is that the government has been preaching and laying down guidelines for everybody. There is an eight plus two plus two limit on salaries. There are freezes on prices. With the co-operation of the provinces there will be controls on rent. However, there is not a thing that says the Government of Canada must impose or follow any guidelines on its own. It imposes guidelines on municipalities, crown corporations and otherwise, but not for the Government of Canada.

[Mr. Lambert (Edmonton West).]

My colleague, the hon. member for York-Simcoe (Mr. Stevens), introduced an amendment to limit the government to its own stated guidelines and the declarations of the President of the Treasury Board (Mr. Chrétien). The government of course defeated that. It said it was unacceptable, impossible to follow or even accept.

Basically a program of controls is a very useful tool for fighting inflation as we know it today. However, having said that, it depends upon the type of controls, the types of problems that are left unanswered, the period of control that is being sought, and the powers that are being sought from parliament.

The more I sit in this House the more I am amazed at the cabinet coming before this House asking for more and more powers. If they are not powers for the cabinet, they are powers for a bureaucracy. In many instances it has reached the point where this House is nothing but a pale and weak rubber stamp. Somehow or other, such is the feeling.

Government members feel they must support government. They feel they must support cabinet. Their reaction is supine. They act like jellyfish. They are wet noodles. But in private, some have very serious objection to and concern about some of these things. I am talking very seriously to government members as well as to my own colleagues who often are quite prepared to accept this—the motto may be efficiency. However, in the name of efficiency more than one bootheel has been put on the neck of the citizenry. There is administrative efficiency, a close cousin to convenience.

The other day there was a $1 item before the Standing Committee on Miscellaneous Estimates to validate a whole program to set aside some requirement of one of the basic acts. The financial administration of this country was being numbed by a $1 item in the Appropriation Act. No one outside government circles understands where and how this can be done, but for the initiates the minister said this was a very useful shorthand. However, that is the danger. Sometimes those in the press gallery, the editorial boards, and the academics feel that this House is slow. It does not move as fast as they would like. They feel that once having made up their minds, it is not necessary for anyone else to speak. The preservation of parliament, this House and the other, and its rights and powers, and the curtailment of executive power will continue to be the main guarantee for Canadians over the years.

We are dribbling out our birthright. Sometimes this is by handfuls. At other times, it is as thin as a slice of salami. But forever it is going out. Over the years, and I have been here for more than 18, I have seen the control over financial expenditure go away from this chamber. Parliament no longer has control over the purse strings of government. It is an absolute farce to say that parliament controls the purse strings. It does not.

The charade of studying estimates is a good example of how to keep government and opposition backbenchers busy. The public does not know what is going on because the press representatives do not attend committee meetings. Therefore they do not write about them. However, when we are studying estimates, members scurry about like frantic ants, attending 18 or 19 meetings on a Tuesday or Thursday. That is not worth one iota in so far as control of the purse strings by parliament is concerned because, under the guise of efficiency, of administrative convenience, we have accepted a guillotine not only with regard to the main estimates but the supplementary estimates. The powers of the House are gone.

● (1750)

This bill is in keeping with the demand for the handing over of power to the executive, and to the bureaucracy that stands behind the executive. It is for this reason my colleagues and I, in addition to the provisions in clause 20(8), in addition to the government being unwilling to conform with the guidelines it lays down for others, in addition to the date proposed for its termination, are opposed to this bill.

We voted for the bill on second reading to see what would happen in committee, to see what the public would say, to see whether the government would listen to reason. But our conditions have not been met, and even though I am a great supporter of the idea of economic controls to deal with inflation, though only as part of a total program, I regretfully must vote against this measure on third reading.

[*Translation*]

Mr. Yves Demers (Duvernay): Mr. Speaker, I am grateful to you for allowing me to address this honourable assembly on such an important issue as Bill C-73.

As you know, Mr. Speaker, this legislation deals with the controls of prices and wages. It was introduced after due consideration because of the risks the Canadian economy would be running if no immediate remedy were found for this situation. This policy affects everybody: workers, employers, small businessmen and consumers alike. As a rule, a government policy affects only a very limited sector of our people; on the contrary, a legislation such as this affects most everybody. The decision of this government is the logical conclusion to a great many investigations and studies on the possible and likely consequences of this long and short term spiralling inflation on Canada.

The government is aware that such a price and wage control legislation will leave nobody indifferent. Yet, in spite of everything, the government had to take action and is taking action. Its action is centered on a policy called price and wage control, not price and wage freeze but price and wage control. As far as I am concerned, I admit that I have another expression in mind, namely the wage control and price freeze policy. Later on I will tell hon. members why I prefer and even recommend this expression. For the moment, let me single out some of the reasons which have forced the government to put such a legislation before the House. During last year, inflationary thrusts have scored in the vicinity of 11 per cent, and the forecasts were probably ranging between 15 to 18 per cent.

Those forecasts were rather accurate when referring to the 71 per cent wage increase claimed by the postal worker union, the 45 per cent wage increase claimed by the Ontario teachers, and the same could be said for each one of the next collective agreements. Are those workers to blame who were claiming such high wage increases? I do not think so. Workers were trying to protect themselves against the unknown rate at which inflation could have got. Thus began the inflationary psychosis era. Indeed, the union leader were trying to get wage increases which would make up for very high inflationary thrusts. At the same time, companies drew up new price lists with the worst in mind, and raised prices accordingly. The eternal wheel which was spinning its way towards disaster and the inflationary expectations which had got hold of everybody appeared to be one of the major causes of inflation. I remember two or two and a half years ago, when prices were just beginning to rise more sharply, people were very much affected by each rise. Let us take for example the price of milk which rose by about 5 cents a quart. There was a wave of protest among consumers at that time. And the newspapers seized the opportunity to denounce the increase and predict a national disaster. At the same time, the price of a loaf of bread rose by 3 or 4 cents. Again people were indignant. Since then, the wheel of price increases has spun a great deal, because the problem is now worldwide.

There is a strange phenomenon which arises from this worldwide problem. People are so used to hear about wage increases and price increases all the time that they have resigned themselves to inflationary increases, and I would even say that they accept them. And it is precisely this acceptance which I call inflationary expectations. As proof of this for about six months, prices have risen staggeringly, but people no longer argue; they know what the cause is: inflation. And it is precisely this attitude that makes the lack of price controls extremely dangerous because businesses can raise their prices even inconsistently without any objection from the consumers who are paying.

In analysing those statistics, one also notes another very serious factor. Last year, indeed, wage increases in Canada reached 18 per cent. For the same period, they reached 9 per cent in the United States, and 8 per cent in Germany.

● (1800)

It must also be kept in mind that the United States make up 70 per cent of our import and export trade. Was it known that Canada won a silver medal last year? And, mind you, it was not at the Olympics. Indeed, Canada run second for the largest number of strikes to its credit. That world competition was won by Italy by the way. I think those facts are extremely important, all the more as we, Canadians, believe that we are among the best workers in the world, particularly among the most productive. Yet, when one considers the fantastic number of man-hours lost in this country, one realizes that the time has come to ask serious questions. Besides, one of the main causes of inflation in Canada is precisely the lack of productivity.

Several unions are now trying to demonstrate that salary increases are not a cause of inflation. They should indeed be more responsible than that and understand that salary increases are an integral part of the causes of such inflation. They are certainly not the only ones, of course.

The increased cost of raw materials, increased administrative costs, the lack of productivity and many other factors are also part of it. However, the responsibility or the role of salary increases should not be minimized. When it is known that in service industries 70 per cent of the expenditures incurred represent salaries, this means that every 10 per cent salary increase results in a 7 per cent increase in service costs. So, one must really be blind to suggest that salary increases in Canada are in no way a cause of the inflation facing this country.

I will now deal with the matter I raised at the outset, the reason of my preference for the title "Wage control and profit freeze" rather than "Price and wage controls". I mentioned "wage control" because the government allows salary increases up to 12 per cent, or a maximum of $2,400 a year. Which is not a freeze but a control that I find reasonable. As to companies with 500 employees or more, or 20 employees or more in the case of building industries, we are dealing not with profit control but actually with a profit freeze. In fact, the anti-inflation act allows no increase in profits for those companies. The only thing they are allowed to do is to raise their prices by an amount equal to their cost increases, which is to say that they are not allowed to increase their benefits.

I shall explain the consequences of the measure by giving you a simple example. A manufacturer produces shoes at a cost of $10 a pair, and sells them at a 20 per cent profit, that is to say for $12. Let us exaggerate a bit, to make the example that much more striking, and assume that production costs increase from $10 to $12. Without the anti-inflation act, the company, keeping a 20 per cent profit margin, would then sell those shoes for $24. However, because of the new act, the company will be entitled to a gross profit, not of $4 per unit but of $2, as was the case when its shoes cost $10 to produce. You will note, through that example, that profits are in fact being frozen and not controlled. On the other hand, the fact must be accepted that all companies will not come under this act.

As a matter of fact, as I said earlier, only the firms which have more than 500 employees on their payroll are included in this legislation. Therefore a certain number of firms could increase their prices beyond the standards set by Bill C-73. However, it should be noted that in this legislation there is one clause which gives the Anti-Inflation Board the power to order that some firms with fewer than 500 employees can become subject to this legislation. Why then did the government specify in the legislation that it included only the firms with more than 500 employees? The fact is that 60 per cent of Canadian productivity derives directly from these firms. Moreover, it is extremely easy for the board to control these companies, and this with a minimum staff because these large corporations have a very efficient accounting system.

This system is adequate, not to meet the needs of the government or of the Minister of National Revenue but to protect the shareholders. In these companies headed by a board of directors, the directors are elected for one year. If they did not have very adequate control or accounting systems, it would become easy for these directors to defraud the real owners, namely the shareholders. Most of those companies also have cost price systems. The executives know the exact cost of each item they produce or the total cost for a group of items. These are the reasons for my saying that the Anti-Inflation Board will be able to control corporate prices in a very efficient manner and with a small staff. That is why I am not afraid to tell those who try to imply that such measures will be inefficient that they deceive people for egoistical purposes. It is precisely to allow the government to make an efficient control that the companies with fewer than 500 employees were excluded.

Several union leaders say that the import prices, which represent 30 per cent of the expenditures of Canadians, will not go down. On that point, I agree with them to some extent. Indeed, if U.S. inflation goes on eroding their economy, certainly the price of their products will go up proportionally and Canada will feel that increase. Yet, let us not forget that last year, wage increases in the United States were only 9 per cent, while in Canada they amounted to 18 per cent, as I said earlier. This means that the price of products imported from our neighbours will be lower. And even if the increases were higher than expected, Canadian industries and labour will benefit, because those products will be manufactured right here in Canada, instead of our having to import them and I am sure this would substantially contribute to the elimination of unemployment.

Last fall, I was delegated to the NATO economic commission. The representatives from the Federal Republic of Germany told us that one of the reason they had a low inflation rate was their labour union system. Indeed Germany has only one union per industry. If we had the same system here, there would be only one postal workers' union, one for Air Canada and so forth. This would result in an overall improvement of our economy, I am sure of that. Let me elaborate a little. Let us consider the mess due to our labour unions. When the letter carriers are on strike, mail sorters cannot work and moreover all Canadians must contribute to paying them unemployment benefits. The postmen's strike is over and now the inside workers are settling their collective agreement. They are also on strike and what is more ridiculous, as the postmen are unable to work, they are entitled to unemployment insurance benefits. This is why a single union in each economic sector would probably eliminate from 50 to 60 per cent of our strikes.

● (1810)

I will make a second suggestion, Mr. Speaker. When a strike is considered in any kind of private or public undertaking, a secret vote should be compulsory. I think that we are well aware of the unorthodox procedures used to compel people to vote according to the whim of union leaders.

In addition, the Department of Labour should control the counting of the secret vote, to make sure that the results are true by appointing employees to see that every operation is carried out according to law and order. I think that such procedure would liberalize the union movement, because I feel that a vote by a show of hands is anti-democratic and often removes individual freedom.

The government should also prescribe standard forms of financial reports to Canadian labour organizations. Indeed, acts passed by Parliament gave unions some taxation

power, which means that all employees of one company, whether they are willing or not, are imposed union dues which are levied at the source, from their pay, in exactly the same way provincial or federal taxes are collected.

When municipalities were given the power to tax, many requirements were included allowing constituents to be informed of how much was spent and where their money went. On the other hand, unions were invested with taxation power without any obligation to account in detail for their expenditure. Consequently, we can see under the heading "other", expenses of $2 million, $3 million or even $4 million in financial reports of Canadian unions. Do you not think that unions members who mandatorily pay their dues are entitled to ask for clear and precise financial reports and judge whether those expenditure are allowed for their own needs? In brief, how do union leaders administer these funds?

To conclude, I would like to draw the attention of all to a very important point. Even though this anti-inflation law is about to be passed and the majority of the business concerns will comply with it, yet we must not delude ourselves. Some concerns will try to get around it, in addition to all those with fewer than 500 employees which do not come under this law. For this reason, it is our responsibility to see that these concerns control their profits in a reasonable way.

Therefore, I ask people not to buy the products whose price is exorbitant, and to inform the Anti-Inflation Board. We may be sure that those who manufacture those products will get the message quickly.

Let us all work together and the results will be positive for the greatest benefit of all.

[*English*]

Mr. Derek Blackburn (Brant): Mr. Speaker, this is the first opportunity I have had to intervene in this debate in the House on Bill C-73 which, in my opinion and the opinion of my party, is one of the most powerful pieces of legislation that has ever been introduced. Perhaps second only to the Emergency Measures Act introduced, I believe, during World War I.

At the outset let me say I feel at this time in the debate, as we are drawing to the close of third reading, it is rather unfair, to say the least, of the government to expect us in opposition to, shall I say, buy a pig in a poke. We have a bill which in one respect gives the Anti-Inflation Board extreme powers in a democracy. There are no regulations as yet. Nothing has been firmed up, but the government is saying we should pass the bill and then it will give us the regulations.

My party wishes to continue this debate as long as we can to show the people of Canada that we as a democratic party, and I think I speak for many members on this side, are not prepared to give the government carte blanche without having some assurance that the board itself will be restrained in its use of the dictatorial powers being given in this bill. I think this is one of the most important aspects of this debate.

Government members for obvious reasons are attempting to play down the tremendous power given in this bill. Another reason why we oppose the bill, and there are several, is not an opposition to the fight against inflation, but an opposition to the unfairness of this piece of legislation. It is unfair because the axe does not fall evenly on all sectors of the economy or the working force.

No one is going to convince me that a lawyer, and I am not blaming all lawyers, cannot increase his income next year by 20 per cent or 25 per cent as a result of this bill. The bill includes a productivity clause, and if a lawyer wants to take on more clients or wealthier clients, or gets involved in a $400,000 or $500,000 real estate deal, his income will go up by more than $2,400, without even considering the fee schedule.

I am not saying all lawyers are going to take advantage of this clause, or that all doctors are going to do likewise. I am saying that these people can increase their incomes above the stated amount. Certainly lawyers can in the way I have mentioned, instead of piddling around with $30,000 mortgages. As far as I can determine most doctors are over-worked now. Supposing a doctor does have five patient consulations an hour instead of three, that represents a very significant increase in income.

This is the kind of thing that those on fixed incomes, or those who belong to the trade union movement, or teachers' associations resent. The teachers were here on the Hill today and I spoke to them out front, as did the minister. I congratulate him for having the courage to go out there and face them. They were very militant, and I do not think he had very much to say. But this is the kind of thing that really galls these people because they know any increase they will get will specifically be 8 per cent, plus 2 per cent, plus another possible 2 per cent. What they do not know is how this board, with no regulations so far, is going to govern prices and profits. As long as this doubt remains these people will become more infuriated as the months go by and as we see that prices are not kept in line with wages and salaries.

The Minister of Finance (Mr. Macdonald) may think he has seen some opposition to this bill so far. If it does not work I suggest that he will see a great deal more opposition. I suggest that the bill is not going to work in its entirety, and not even in part. The real trouble will come next spring or summer when people have been required to hold back on wages and salaries but they see prices continuing to rise.

A perfect example of this is the increase in food prices since October 14. Let no one be fooled by this tremendous generosity on the part of four, five, or six major food chains in the country, and I would put "tremendous generosity" in quotation marks. These major food chains have already raised their prices in the last six weeks, and they have already bargained with the processors and distributors so they know they can go easy for 60 days. They are not going to lose any money, and the average consumer is not going to be taken in. Consumers see through this.

Average people are not angry enough yet as the full effects of this powerful, authoritarian piece of legislation have not been felt. But when that occurs, probably in six to eight months, we will see tremendous social discord. We will have groups fighting other groups. This bill will be divisive rather than a bill to bring people together.

Members opposite suggest it is unpatriotic to oppose the bill or not go along with the legislation. I suggest at this

time it is the government that is being unpatriotic by forcing various groups to fight other groups. Just this afternoon in the *Citizen* one newspaperman wrote about planned economic changes. I am not suggesting these have been endorsed by the cabinet, but this is the kind of government restraint we are to see. Governments are among the biggest spenders. What are the cuts they intend to make? Apparently we are going to see three day a week mail delivery. That is one suggestion. There is the elimination of LIP, OFY, CYC, and the phase-out of the science department as well as the end of Information Canada. I do not think that would be a bad move, although it would eliminate some jobs. Then there is the freeze on research spending.

● (1820)

I have heard members from other parties say that the government should trim the fat. People have said it is the fault of the government, and that we must cut down on government spending. This is very dangerous because when we wipe out OFY, LIP, CYC, the science department and so on, this means we are cutting out jobs. If we cut out these jobs what will happen? Is it better to see that these people are employed at a meaningful job so that they will pay taxes, or is it better to lay them off? If they are laid off the chances are that they will not go to private industry, because when there are already 720,000 people out of work the only route they have to follow is through the UIC or through welfare when the unemployment insurance runs out.

If the government is to trim its costs obviously it cannot trim its transfer payments and socially-oriented programs. It must create jobs and good social services. Are we to negate all the best legislation that has been passed in the last ten years and wipe it out because we must trim federal spending? As other members of my party have already stated, the fundamental question concerning this program is whether we have a just approach to dealing with inflation, or an incomes policy. I suggest the two are separated here. Having studied the white paper and the bill, the answer is that the approach the government has adopted is unfair and unworkable. We in this party cannot accept it in any way, shape or form. A few moments ago I alluded to the teachers from Toronto who were demonstrating on the Hill this afternoon.

Mr. Guay (St. Boniface): You spoke to them.

Mr. Blackburn: Yes, I spoke to them. Did you have the guts to speak to them? I did not hear you speak, Joe. To give an idea of how this bill is dividing the country, already when it has not even become law—we have in the city of Toronto elementary school teachers teaching in the junior high school who settled for higher wages than the secondary school teachers teaching in the same junior high school. One might make the argument: what is a degree if one is not a good teacher? All right; I shall not go into that aspect. However, this is dividing the groups of teachers in the city of Toronto.

Also when the teachers in the city of Toronto compare what they have been offered by their board, which the Anti-Inflation Board has knocked down, with what the same teachers make in the city of Ottawa or in Windsor, they say they are all teachers and that they have all put in at least four years at university. In fact this is one of the most highly educated professions in the country as a whole. What is the difference? They are doing the same job, and yet in Ottawa they found that teachers are making $3,000 or $4,000 a year more than they do. It is this kind of unfairness or lack of justice that will badly divide this country. How do I know? It has already happened. I just gave an example. It has brought bitterness to one group of teachers, the teachers in the city of Toronto, because it is unfair. I think we have already proven before the first regulation is brought in that this legislation is unworkable.

It is becoming increasingly evident as time passes that the government in its attempt to secure a lower rate of price inflation has adopted a policy of wage restraint to deal with the matter. In other words, the burden of this program is being placed on the wage earners of the country, particularly the low wage earners. There is no doubt about that. I do not know how anyone who has finished high school, has gone through university, and is now earning $7,800 in the city of Toronto—I admit this is the low end of the scale—can live. I do not know how they can live on $7,800 in the city of Brantford, from where I come.

Mr. Orlikow: Mr. Pepin seems to think they can, but he gets $50,000.

Mr. Blackburn: Yes, he is a lot more comfortable. He is getting $1,000 a week in the form of a handout from the government.

It now turns out that the Quebec minimum wage was increased 20 cents instead of 32 cents as had been promised a couple of months ago. This is another example of the adverse affect this is having on unity in the country. Again this is very important. They were promised 32 cents and now must settle for 20 cents in respect of the minimum wage in Quebec. Granted the government can argue it is not responsible for Quebec's actions; nevertheless this action in one province is an example of the reason why so many individuals are becoming thoroughly convinced that most wage earners, organized and unorganized, will be the biggest losers once this program becomes law.

This reminds me of what the Prime Minister (Mr. Trudeau) said, and this has been mentioned by other members. When he was desperately fighting the 1974 election campaign against wage and price controls he said that the little guy is hurt with wage controls. Now what does he say? So far the Prime Minister has refused to take part in this debate. I would like to suggest he is ashamed and that is the reason he will not take part in the debate. There are not very many hours left, so perhaps someone over there would pass on the word that he should defend this policy before we have a vote on it.

At the outset I stated that we in this party reject this bill in its entirety. To date we have not had satisfactory answers concerning the reason why this particular approach was introduced. If anything has become clear it is that the government adamantly believes that labour is the culprit in the inflationary troubles of today. What are the facts? Mr. Speaker, I think at this point I should call it 6.30.

Mr. Deputy Speaker: Order, please. It being 6.30 p.m., pursuant to the order made on Wednesday, November 5, 1975, I do now leave the chair until 8 p.m.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Blackburn: Madam Speaker, before I called it 6.30 p.m. I was concentrating on the divisive aspects of this bill which pits groups against groups, unions against unions, organizations against organizations, and businessmen against businessmen.

I could give you the example of a small company settling a wage contract of, say, 18 per cent or 20 per cent a week before the anti-inflation bill becomes law, and a similar corporation making the same product being held to the 10 per cent guideline. You can rest assured that the small companies particularly will be fighting it out with the Anti-Inflation Board because one company might have to pay higher labour costs while competing in the same market with another company which does not have to pay those higher costs. As I said earlier, this is an infamous, authoritarian bill which gives the government powers that should not be given to any government in a democracy such as ours.

I would like now to dwell for a few moments on our export situation. I think this is one of the major thrusts of the government's arguments in favour of Bill C-73. I would like to begin by simply asking: are we to accept the statements of the Minister of Finance (Mr. Macdonald) that Canada's international competitive position and ability to pay its own way in the world are being set back because of our current wage trends?

Statistics Canada reported that on a year to year basis the rate of increase for imported goods was 14.5 per cent and only 7.5 per cent for exported goods. Furthermore, just a few days ago, some five weeks after the introduction of wage and price guidelines, trade figures issued by Statistics Canada showed that sales of finished goods rose 9 per cent in the first ten months of 1975. Thus, despite gloomy warnings that Canada is losing its edge in world markets, the best performance this year is coming from manufacturers. Statistics Canada reported also that exporters of finished goods are now doing better business and making greater inroads into foreign markets than they were last year when economic conditions were far more buoyant.

Based on the above it is no wonder that various groups have been less than exuberant over the ramifications of this program. As I have already said, this package of controls is nothing but wage restraints predicated on the phony assumption that wages have led the way in the inflation spiral.

As I said earlier this afternoon, it is always the low income earners who are blamed for overspending and for inflating the economy. But I wonder how often those in power on the treasury benches—I do not see many of them present—sit back and reflect on two points: one, if you are making $7,500 a year, how in heaven's name can you overspend? I do not know what the national average income is today; it is probably about $10,500 or $11,000. Even then, how can you overspend and create inflation on that? The other point is that these people are bombarded day in day out through the electronic media to buy, buy, and buy. It does not matter what the quality of the article is, what its workmanship is and whether or not you need the damn article—you are told to go out and buy it.

If there is anyone causing inflation in this country, or who has caused it in the last ten years, it is those people who have told everybody to go out and buy. They have psyched them to the point where they are almost reacting like Pavlov's dogs so that they have to go out and buy. But who is reaping the benefits from it? It creates employment, but we get back to the same point again that as it creates employment there are more people to spend money, and we are back in the vicious circle of inflation.

If the infamous Bill C-73 becomes law, who will get it on the head? The guy who has been told to buy, buy, buy. This is the ridiculous aspect of the economy of this country today. I deplore it and I deplore the fact, as I said earlier, that the Prime Minister (Mr. Trudeau) refuses to take part in this debate, as the hon. member for Edmonton West (Mr. Lambert) said earlier today. He should take part in this debate and give us on this side of the House good reasons for voting for this bill, the regulations pertaining to which have not even been drawn up yet. We do not even know what we are voting for.

In the early stages of this debate some Canadians expressed a degree of satisfaction with the anti-inflation program. I suggest that the reason for this is that the major attraction of any income policy is that it promises—I stress the word promises—price controls as part of the package. But if the promise is a hollow promise and there is no real, effective legislation to back up that promise and to make sure that prices and profits are in fact controlled, then we descend into the area of cynicism, and if there is one thing this country can do without today it is cynicism. That is why I am opposed to this bill. It will create more cynicism. It will not reduce it.

● (2010)

This promise of price controls had to be introduced because the government realizes that wage earners will readily ease off from demanding higher incomes if they are assured that prices will be kept stable. This is a point we have stressed for years. Yet how does this policy operate with respect to prices? We now all know that the guidelines explicitly say that wages cannot rise beyond specific percentage points each year. There are no such specifics in regard to prices, and that, again is what creates cynicism and the divisiveness which will develop from this authoritarian piece of legislation.

Other members of my caucus have gone to great lengths to point out that price increases are taking place in three principal areas: food, shelter, and energy. In fact, of all the inflation we have in this country approximately 65 per cent is in the area of food, shelter, and energy, and it is in these three areas that the controls policy will have little or no effect. I think that is a very important point.

All hon. members of this House no doubt were inundated with calls to their homes and constituency offices regard-

ing the dramatic rise in the cost of food following the introduction of this program. After all, prices can increase to cover increased costs, whatever they might include. We still do not know what increased costs are all about. Only Jean-Luc Pepin knows. He claims he knows for sure. In terms of food costs, people just have to pray that their frozen wages will be enough to cover their increased costs. The advantage is clearly on the side of the corporations which know exactly what their wage costs will be. They can plan now. They know the limits. The limits are there, thanks to the Liberals, and thanks to the government.

I wish to make one last point regarding food costs. All of us have noticed the full page ads which major food chains have taken out since their announced 60 day price freeze on November 21. I alluded to this earlier in my address late this afternoon. One such ad reads, and I quote, "Loblaws freezes prices." William Sherman, president of Loblaws, says in the ad that this action is being taken in, and I quote "recognition of the consumers' growing concern over food price inflation." I love that.

Before consumers embrace the Christmas good will of all the food chains, they should keep this in mind: as reported a few nights ago food chain spokesmen stated that, and I quote, "There is a standard industry practice involving private agreements between the stores and their suppliers." In other words, chains such as Loblaws will not have to absorb price increases until mid January because pre-bargaining with their suppliers will cost the food chains virtually nothing. William Sherman said, and I quote, "many suppliers have already taken their increases, and we requested that there be no increases during December." Big deal—60 days!

Mr. Nystrom: That is the Christmas spirit.

Mr. Blackburn: Therefore the risk to chains such as Loblaws, Steinberg's and other major chains is minimal. What happens after 60 days? Can we count on good corporate gestures come January or February? I doubt it very much.

As I said this policy, and this program, do not apply to the key elements in the cost of living. Since wage bargaining takes place in the open, and since any increase is subject to stringent regulations, the government can make wage restraints stick. It is a very simple thing. We have heard that many times before in this House, and I do not hesitate for a moment to repeat it tonight. As long as we have the democratic right to keep talking against this bill, we on this side of the House will keep talking against it.

Price decisions, on the other hand, are not as easily identifiable. Here again my colleagues have cited numerous examples of the inability to pin down what constitutes increased costs. Thus far we have had no comprehensive statements on how costs will be monitored. The Federation of Independent Businessmen cited several examples of how large corporations can hide their profits. For example, General Motors in Canada sees that profits for the coming year will increase appreciably. The head office in the United States then proceeds to charge the Canadian subsidiary higher management fees. In effect, G.M. of Canada faces higher costs, and the consumer is left with having to pay those costs—not General Motors, but the people who buy G.M. cars.

The only impression with which consumers are left is that price controls are merely a symbolic gesture in the incomes policy. It is not extraordinary then that groups such as the CLC, QFL, the National Council of Welfare, and the anti-poverty organization, to name a few, have condemned this national belt tightening campaign. Prices in key elements of the economy will not even be touched, and this the government admits and has admitted.

Aside from food costs, which I have already mentioned, energy costs to the average consumer will be up this year. In fact they are going up right now. Because of the government's excise tax, it will cost more to drive. Because of the government's changes in the Unemployment Insurance Act, those on lower incomes will have to pay higher premiums proportionately. Because of the government's inaction in the housing industry, houses will not be available to most Canadians who are looking for housing this year.

In this program the average consumer is being told that it is he and his wages which have to be restrained. Workers are becoming increasingly disenchanted with what they see happening. The current rate of inflation in Canada is 11.3 per cent and, if this situation does not change, workers' real incomes will fall by about 1.3 per cent. Again, keep in mind that inflation in 65 per cent of a family's costs will not be controlled. I am talking about food, shelter, and those other basic commodities such as clothing and so on.

The Minister of Finance has made much of the fact that this policy is designed to benefit those worst off in society. Nothing, in my opinion, could be further from the truth. What this program does, by means of everyone being entitled to receive the same percentage increase, is to freeze the present situation. Granted, those on lower incomes are being given a measly $750, if they can get it. There is no guarantee. The folly of this was exemplified, as I said earlier this afternoon, by Quebec's actions, to which I referred earlier. The power to obtain any sizable increase—that is, to those on low or fixed incomes—rests with the provincial governments, and if one is treated in the fashion with which Quebec has treated its people, I suppose that is tough. I think this is an important point. I have not raised it before.

The Government of Canada could use this bill in a very effective way to begin to narrow the gap between the rich and the poor. If it wanted to use this bill, it could say, for example, that anyone earning less than $11,000 or $12,000 per year would be exempt from the guidelines. From there on the percentage increase in income would decline, so that by the time a person reaches $24,000 per year he receives no increase, regardless of productivity. However, the government will not use the bill in this way, and I suggest that the reason it will not is that it is still tied in with the old Manchester school, the old nineteenth century school. Economists of the nineteenth century thought there was no ceiling to an income one can earn, provided you scratched your way up over people's backs, even your mother's back. They thought the sky was the limit to incomes.

● (2020)

Where does that philosophy lead us? Look at the major cities of the United States, that great land of free enterprise, and their skyscrapers. My God, what has bigness

brought that country—nothing but misery, social distress, crime, hatred, bitterness, class against class, people against people, organization against organization. I suggest that this bill will help to contribute to that kind of social psychology in this country, and for that reason I oppose it.

There is no doubt in my mind that low-paid workers will not be better off under this program. On the other hand those on the other end of the scale will do very well. Dividends will not be controlled because companies will be able to increase dividend payments to obtain capital on the stock market. Furthermore, dividends will be paid out to the owners of corporations after this policy ends. In other words, dividend payments may be deferred. This suggests, Madam Speaker, that we shall witness in the next few years a redistribution of wealth, not from the rich to the poor, but in favour of the rich and powerful.

Probably the strongest condemnation of this type of program came from the Prime Minister himself, when he said about 18 months ago that you can't freeze executive salaries and dividends because there are too many loopholes to squeeze through. Meanwhile the Prime Minister has turned 180 degrees. Now he says we must have controls, although 18 months ago he was desperately courting votes with exactly the opposite policy. No wonder he will not enter the debate. He has not the nerve to come to this House and explain why he changed his mind. During the election the Prime Minister said that the Leader of the Opposition (Mr. Stanfield), for whom I personally, and my party have a great deal of respect, would not freeze prices of farm produce. But this 1975 program will not do this either. The Prime Minister went on to say that prices of United States imports and of Arab oil would not be affected. I ask, what is left to control?

Mr. Rodriguez: Wages.

Mr. Blackburn: Yes, wages and salaries are left. They are the only component which can be controlled effectively. The Prime Minister and cabinet realized this a year ago, and I suggest, Madam Speaker, the same is true today.

The government had to do something to prove that only it could provide the leadership this country needed, indeed has demanded for 18 months but has not received. Madam Speaker, this is not the kind of leadership Canadians expected. The government ought to have known that the program it introduced would not be accepted by the majority of workers. As my colleague from Regina-Lake Centre said in a speech last week, many workers, union people included, voted for the government on the assumption they were voting against controls as advocated by the official opposition, those very same types of controls we face today.

Mr. Baker (Grenville-Carleton): There is a difference, you know.

Mr. Blackburn: This program is somewhat different, I admit. But how does the government explain its introduction now, considering it was totally opposed to any controls?

Mr. Baker (Grenville-Carleton): That is the point.

Mr. Blackburn: And the government is asking us to buy its program, even though the regulations have not been written. I wonder if any democracy is left in this House. We, on this side of the House, represent more voters who voted in the 1974 election than the Liberals do. Yes, we represent more Canadian voters; but what is happening in this House? An unacceptable bill is being forced down our throats, and we can do nothing about it. Do you call that democracy? I am beginning to wonder what this game is all about.

Some hon. Members: Oh, oh!

Mr. Blackburn: I recall the Prime Minister saying about four and a half years ago that, 500 feet off the Hill, we are all a bunch of nobodies.

An hon. Member: That includes you.

Mr. Blackburn: Let me tell hon. members opposite that the people who are more than 500 feet away from this House are somebodies, and they are fed up with the way this country is being run. I want to say many more things, but I see that my time is nearly up.

Mr. Baker (Grenville-Carleton): Keep going.

Mr. Blackburn: I am tired of listening to rhetoric from the other side couched in technical terms, rhetoric which merely hides a lack of knowledge, lack of understanding, and lack of concern for our people. Yes, we are concerned about inflation. NDP members in this House are concerned about inflation. We do not oppose the fight against inflation, but we do oppose the unfairness of the bill.

As I suggested earlier, the government could make this legislation more fair if only it would listen. But it only listens when it is in a minority, not when it has a majority. When the government was in a minority and was scared, it listened very well. If only the government would listen it could make this bill more equitable. We could distribute wealth more fairly. But the bill will not be used for that—no, that is not the purpose of the bill. It is easy to control incomes, but virtually impossible to control year-end profits. One need not talk in terms of increases in unit costs. Corporations need not worry about that. They only need to average out their profits at year end, and dividends can be paid in one year, or 18 months, etc.

For the people of this country, this bill does not represent equity.

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

Some hon. Members: Continue.

The Acting Speaker (Mrs. Morin): The hon. member may continue only if he has the unanimous consent of the House. Is there unanimous consent?

An hon. Member: No.

Mr. Benjamin: Joe Guay said no. We will remember that, Joe.

Mr. Gordon Towers (Red Deer): Madam Speaker, as I rise to participate in this debate I wonder where the government is leading the Canadian people. We realize that parliament must attempt to control inflation. After all, it is the country's governing body. Eighteen months ago my party had the foresight to recognize problems we should encounter, and we put a program of action before the Canadian people. Hon. members opposite put forward a different policy; I suggest that any who did not agree with their leader's position at that time should stand up now and say so.

My party told the Canadian people that we were facing serious economic problems; but hon. members opposite said that was not so, that there was no danger. Actually the Liberal candidate who ran against me said in the election campaign, "If this is inflation, give me more of it." Madam Speaker, unfortunately we have more of it, much more.

Mr. Baker (Grenville-Carleton): Where is he now, in the Privy Council office?

Mr. Towers: Unfortunately, Madam Speaker, we are all suffering from the negative attitude the government showed in the election. If government members would have had Canada's well-being at heart, they would have gone along with us. They should have had the foresight. If not, they should not be governing this country. It is as simple as that.

● (2030)

We must now ask ourselves why we are in this condition. Why the about-face of the government? As stated this afternoon by the right hon. member for Prince Albert (Mr. Diefenbaker), just two weeks prior to the announcement of October 13 the Prime Minister (Mr. Trudeau) stated that he had no intention of embarking on price controls. He said they were not necessary. Why the change in two weeks? I wish the Prime Minister were here to give us that answer. He is the only one who knows. I do not criticize members opposite on this because I am sure they do not know.

The Prime Minister made this decision on his own. I certainly have some misgivings about why he made it. Was it because of the resignation of his Minister of Finance? Why else did that minister depart in the middle of the Ontario election? It certainly was not planned that way. Only two days later that minister was seen over national television in the company of the leader of the Ontario Liberal party.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member is straying from the motion.

Mr. Towers: I am sorry, Madam Speaker. I apologize. What I am trying to do is to analyse why we are in this position at this time. The Prime Minister is not here to answer our questions. That is why I wonder why we are dealing with this bill.

There was also to be a Liberal convention. The former minister of finance stood in the place the present minister occupies and said that he would have no part of wage and price controls. Now that the Prime Minister received a vote of confidence at the Liberal convention, he is away for a while. Nevertheless I fear that the Canadian people are

[Mr. Benjamin.]

going to suffer as a result of the decisions that have been made.

Inflation is a very destructive force. Nothing will destroy society as will the inflationary factor. It causes a breakdown in moral values, increased greed, a rejection of the work ethic, and creates a confused society. That is the position the Canadian people are in today.

There is a breakdown in moral values. Every day in this House the Solicitor General (Mr. Allmand) answers questions about why we are in this position. What action is the Canadian government taking to counteract that? Why are we in this position where our moral values are breaking down?

Quite a few years ago, after the second world war, a friend of mine returned from Italy. He said that the Italian children were not attending school. They were hungry, and there was no use in sending them to school without first feeding them. This is not the problem with the Canadian people. We are well fed. However, there is no guarantee this will continue in the future. Actually we are destroying ourselves. We are destroying the work ethic. We are destroying the incentive that built this country; It is a sorry day when we destroy the very spirit that built it.

I have a terrible fear of a government controlled or state controlled economy. There is nothing worse. The hon. member for Brant (Mr. Blackburn) said that these powers should not be given any government. I agree. The hon. member for Regina-Lake Centre (Mr. Benjamin) then said, "unless it is an NDP government".

Mr. Benjamin: Hear, hear!

Mr. Towers: The problem with that is simple. If they came to power we know the type of economy we would drift into. They would take over the control. We have to realize that members opposite are drifting into the same type of state economy.

On a recent visit to the United Nations I was told by a representative from Russia that that country had 1½ per cent inflation in ten years. However, is there anyone in Canada today who would want to limit himself and be under the control and jurisdiction of a state government such as that in Russia? I would think not. I do not like inflation. However, I am satisfied that it can be licked. It is not, however, going to be licked in the manner specified by the government.

You cannot have a healthy body while there is pain or suffering in any of its members. Unfortunately that is what happens with restricitve controls. That is why we in this party stated that prices should only be frozen for 90 days and then guidelines should be set up under which we could work, operate, develop, and live.

There is a great danger with this bill. The government wants it, and it is going to have it. There is no doubt about it. The government is going to shove it through. I do not want to be part of a program that will last 13 times longer than the one we suggested. That is the vast difference. The Minister of Finance (Mr. Macdonald) said there could be a parliamentary review after 18 months. Actually he was just trying to get our support. However, our support is worth more than that.

We submitted an amendment. Our leader sent a letter to the Prime Minister stating that if the government valued our support, it could agree to an 18 month freeze. We were willing to go part way. In fact we went from three months to 18 months, but the government would not move at all. All we were told was that there would be a parliamentary review. Your Honour and I came to this House at the same time. We both know that parliamentary reviews are all right. You can put certain issues on the table and thereby bring them before the Canadian people. However, with something as important as this, they do not work that well.

I have something to say about the Minister of Finance. It is he who caused the problem with the province of Alberta two years ago over natural resources. Because the Middle East decided they would cut back 5 per cent on oil reports, he immediately created a problem for the Canadian people, stating that there was an oil crisis. I am sure everyone will agree now that we did not have an oil crisis at that time. Six or eight months later there was more oil in the pipe lines that they knew what to do with. They were at that time slowing ships down on the ocean because they did not have storage facilities for landing oil. So I say that he just reached up in the air and grabbed it out, and at the same time he caused a confrontation with the Province of Alberta and the Province of Saskatchewan which set the oil industry back two years at least, maybe three years.

● (2040)

We are just now recovering the rate of production we had at the time the minister embarked on that atrocious plan he had connived in his own brain. And that has been the history of this government, unfortunately—it has been going from crisis to crisis. I do not know whether it manufactures them or not, but first it had a political crisis, which it reconciled by the War Measures Act. Then of course, as I mentioned, it had the energy crisis. Now it has found an economic crisis. It would seem to me that during the political crisis, when it embarked on the War Measures Act, it over-reacted. Time and circumstances have proven, Madam Speaker, that the government did over-react at that time because of the fact that it had been warned previously there were political problems, and it did nothing. When it did break, the government over-reacted. And it caused problems for people. I remember that in western Canada we sat up all night watching national television because we were concerned; we did not realize it was a sort of over-reaction.

The Acting Speaker (Mrs. Morin): I fail to see the link with the motion to provide restraint on profit margins, prices and dividends. Perhaps the hon. member could deal with the motion.

Mr. Towers: Thank you, Madam Speaker. I was just mentioning the relationship between the present problem and the history of the government. I mentioned the over-reaction in the political crisis, the over-reaction in the energy crisis, and now I am mentioning the over-reaction to the economic crisis.

Unfortunately, Madam Speaker, the problem before us is, I think, the most serious of all because of the fact that with the oil, the oil was there and it kept coming; with the political crisis, it resolved itself; but the economic crisis is much different because of the fact that the government is taking over control for 39 months. That is a long time for a government to take over economic control of a country. Just think of those people who have perhaps only ten years left in order to make their livelihood and provide for their retirement. It is taking a third of that time out and it means they are going to suffer. This is why our leader said it was rough justice. It is rough justice.

I do not think it is necessary for the controls to last that long because we saw what happened in the United States. They had shorter term controls and they worked. The hon. member for Duvernay (Mr. Demers) said this afternoon that their inflationary factor is much less than ours simply because they moved to control it when it was of fundamental importance to do so.

Our inflationary factor today would be much worse if it were not for the fact that Canadians are a resourceful people. They are a great people. They are a strong people. And they are living in a strong land blessed with a great amount of natural resources. So you couple the three together and this is the only reason we have survived.

It was suggested today, I believe by the right hon. member for Prince Albert, that we are second worst in the world so far as our destruction of our work ethic is concerned. This means there is dissatisfaction—a great deal of dissatisfaction—and we are therefore destroying the spirit that has built this country.

I have a great fear that this is what is going to happen unless there is a turn around, and it has to be in the very near future. I am not prepared to sell my birthright for a bowl of porridge, but unfortunately I am caught up in this process. Many people have said we should go along with this program because of the fact that the government hasn't got anything else. Well, that's a pretty lame excuse for supporting a program which you do not think is going to be in the best interest of a country, when there could be a better one put in its place. But if it is the only thing it has got, then what do you do? Either vote for it or vote against it, and my conscience, Madam Speaker, tells me we would be much better off if we voted against it.

I want now to read just a few statements made by a gentleman who I think is going to become very well known to a great many Canadians, including the Minister of Finance. This is what he says: I read from the report before me.

> Regulations to implement Ottawa's anti-inflation program will be "too restrictive and inflexible" for business, according to Toronto accountant J. L. Biddell.
>
> In a speech to a construction industry seminar in Toronto, Mr. Biddell, who was recently appointed to the Anti-Inflation Board, called the proposed program "a good one" but said it could pose a serious economic threat to the country.

The report went on to say:

> Mr. Biddell, who resigned as president of Clarkson Co. Ltd. after accepting his new appointment, predicted gloom for business because of the program's regulations.
>
> "The white paper guidelines will require the businessman to suppress almost every one of his natural entrepreneurial drives".
>
> Mr. Biddell said the controls are so strict that Canadian business "can expect to live with them for only a short time." . . .
>
> If the controls are not removed quickly, there is a distinct possibility that "stagnation" will set into the economy and "create a climate where it will be impossible for new business to get off the ground."

Anti-Inflation Act

Wage and price controls are necessary as a short term solution to the country's inflation ills, he said. "The measures will simply not do in the long term. It is a treatment of symptoms and not a cure."

The country must reach a consensus on the causes of inflation during the control period to prevent a return to an unacceptable period of rapid price escalation, he said.

Mr. Biddell said Canada has been overspending in recent years, living off earnings from its natural resource base.

That must change, he said. Canada must develop an industrial complex "to take the place of its depleting natural resources."

There we have, Madam Speaker, a member of the Anti-Inflation Board, and he was muzzled by the members of government not allowing an amendment that we put forward in this House to allow him, as a member of that board, to criticize them in the area where he felt he had such a right. They don't want to allow that. It would be an embarrassment to them, and therefore he was muzzled. This is why I feel the government does not have the Canadian people at heart. I am satisfied that the Prime Minister and the cabinet are only interested in survival—power seems to be the main thing in their mind—so we have to be very, very careful. We have to warn the Canadian people what they are about.

While approving the general intent of the government's program, my leader and other members of our party made it clear from the outset that we had grave reservations about some of the major features of Bill C-73, and that we would not commit ourselves as to our ultimate position on third and final reading until we saw what kind of amendments emerged from committee examination of the bill. We put forth our amendment, and I have explained the difference between our position and their position, and why this amendment was not passed.

It is of fundamental importance that Canadians should realize that what could be accomplished in 18 months should be all that is required in the best interests of the country. We are not taking anything away from the bill by this 18 months period. If at the end of that time it is found there have to be other controls put into place, I am sure members of the opposition would be ready to go along. If the government would like to bring in a different program we might be ready to agree to that also. However, as I say, we would like to restrict the program to 18 months, and we would like also to give the Anti-Inflation Board an opportunity to criticize the government for any failure on its part to follow the guidelines, just as it is able to criticize business and labour.

We said the period should be 18 months. The minister said no. For the life of me I cannot understand why there should be this refusal to co-operate if he wants our support.

● (2050)

Developments since second reading have done little, if anything to assuage our concerns over the program. Committee hearings have produced wide-ranging criticism of the bill by spokesmen from major industry, labour, and other groups. While we may not have agreed with all of their particular criticisms, the comments and statements of these groups have reinforced the view that the government program is, at very best, pretty rough justice, with a number of built-in inequities and distortions.

[Mr. Towers.]

Government statements inside and outside the House of Commons, be they by the Prime Minister, various members of cabinet, or the chief officers of the Anti-Inflation Review Board, have offered little reassurance either. Rather, they indicate that the government is still very much feeling its way, unclear even in its own mind on many important aspects of the program, including the all important question of relationships with provincial governments. That is very important, Madam Speaker.

How in the world can a program work without the support of the provincial governments? Why was not support of all provinces asked for prior to embarking upon the program? The answer is simply that there was not time. The Prime Minister announced the program without communicating with the provincial premiers in advance. The provinces themselves, while supporting, as we have, the principle of a direct action program, have filed a number of significant reservations of their own. The province of Alberta has announced it will go along with the program for a short period of time but may opt out later.

It should be noted too that all of this uncertainty and concern has been generated over the basic framework and direction of the program. As yet we have not even seen the precise regulations in which the government will set forth the details of its policies and which will form, in many respects, the real guts of its program. One can only believe that these will cause even more confusion, uncertainty, and feelings of inequity.

People will put up with this program for a short period of time, and we thought 90 days was the right period. But the minister says the period will be 39 months. This is why we have reservations about this bill. It is also causing concern among various business groups. In fact, I have a great fear that we are going to revert to the law of the jungle, where only the strong survive.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Start swinging from the trees.

Mr. Towers: It is a great misfortune, Madam Speaker, that our friends to our left are so far left that they cannot even understand the fact that the economy is better in private hands than in government control.

I have been contacted by some professional people who are concerned about the outcome of this legislation and what it will mean to them. This is why I say we are now getting to the stage where it is a matter of survival for certain segments of our economy. One of these groups has this to say:

We would like to take this opportunity of expressing our concerns in these matters in the hope that our representatives can make the government aware of them, before the regulations are finalized, as it will be difficult if not impossible to change the regulations after they become law.

Fundamental to applying price control regulations to auditing and accounting practices is an understanding of the good will factor inherent in many professional accounting practices in Canada today. Good will represents the intangible value of having an established clientele who continue to deal with the same firm. The value of good will however becomes tangible when an incoming partner pays hard cash for it. The purchaser has in effect purchased the right to a share of the income of the accounting practice. In an established practice the older partner anticipates that he will be able to sell his good will on retirement. Thus many practising professional accountants have spent many

years of their lives investing their time and ability in establishing a practice that will be saleable when they retire. This investment is analogous to the employer's contribution to a pension plan on behalf of an employee in that both have planned and look forward to these funds as part of their retirement income.

It is therefore imperative that the wage and price controls be administered fairly and great care must be taken to ensure that the value of good will is not impaired or destroyed. The impairment or destruction of good will would cause economic chaos to the accounting profession and would be the equivalent to imposing a 100 per cent capital tax.

They go on to say this:

We are aware of an accounting practice which has a July year end. At July 31, 1974 this was a four man practice and the practice income was shared four ways. On August 1, 1974 one of the partners retired and the three remaining partners purchased his partnership interest including good will and have contracted to pay him a capital payment for good will over a period of years. On July 31, 1975 the practice was a three man practice who now share the retired partner's income. Thus the remaining partners' incomes materially increased in 1975 and if the difference in incomes from 1974 to 1975 were confiscated by way of a tax the remaining partners would be unable to complete their obligations.

I am sure the minister gives cognizance to the fact that a lot of business people are caught up in this program. With the continued invasion of government into private affairs we have to rely more upon specialized professions to protect our personal well being. This group goes on to say:

When one considers the strenuous effort required to build and maintain a professional practice; the liability of the professions to the public and the fact that a professional has to provide for his own retirement are factors that should be considered before making hasty adjustments to the very roots of this type of business.

In conclusion, with respect to the effect on good will, we are concerned that there may be an unfair, and perhaps unintended, side effect of the legislation and regulation: it appears probable that they may result not only in a limitation on income but also have the effect of confiscating capital. This, we suggest, must be avoided if equity in the efforts to control inflation is to prevail.

So it is obvious there is great concern in the country about where we are going. After all, it takes all kinds of people to make our economy work, such as the professions, labour, and all segments of society. We must work together if our economy is to get ahead; we must get away from the kind of misunderstanding that has occurred under the present administration.

Given the degree of rough justice involved, given the economic distortions which are virtually inevitable in this kind of program, and given the well founded mistrust that we have for the government's motives and willingness to deal openly and frankly with the people of Canada, we are not prepared to hand the Prime Minister and his ministers these extraordinary powers without any effective time limit on their use.

The Acting Speaker (Mrs. Morin): The hon. member for Calgary Centre (Mr. Andre).

Mr. Benjamin: They are all rallying to the cause.

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the peanut gallery to our left is in fine form this evening. This is third reading of a bill which euphemistically is known as the Anti-Inflation Act, Bill C-73. It is a bill to deal with inflation.

This is an incredible development, coming about a year and a half after the Prime Minister (Mr. Trudeau), in co-operation with his cohorts to my left, stumped up and down the country saying that price and incomes controls are absolutely the worst thing that could ever be undertaken by a government in an attempt to fight inflation. Every possible adjective of condemnation was used to decry price and incomes controls to fight inflation. Yet 18 months later, on Thanksgiving Day last October 13, the Prime Minister sat down to a meal of crow and announced to the nation price and incomes controls.

● (2100)

This new example of leadership, it is said, will take us out of the economic morass in which we find ourselves. One wonders what occurred, what caused this transformation. What caused this proud government and its Prime Minister to eat crow on Thanksgiving Day? What caused it to do an 180 degree flip and advocate policies that it wasted no energy in condemning over a year previously? Was it a change in the economic situation? Was it the sudden realization that the economy was in bad shape, and suddenly inflation was perceived to be a serious problem? That is some change, but that is the essence of what the Prime Minister tried to convince the country. Yet an examination of the figures, the numbers, the indices, the measures of economic performance, inflation, and the consumer price index now indicate there was no dramatic change. They indicate there was no disastrous trend in the last two years, and no dramatic change suddenly before Thanksgiving Day to bring on this turn-around.

The second theory proposed by some political observers is that this was really a Machiavellian plot. The suggestion is that in fact the leading indicators showed that inflation was on the way down now and that the economy was due to improve, and the Machiavellian devil that he is, the Prime Minister, felt by introducing this program he could then claim credit for leadership. This has been proposed by a few media observers of the political scene in Canada. I tend to dismiss that because if that was the motivation behind the Thanksgiving announcement surely there would have been better preparation and a more complete program offered. Surely we would not have the uncertainty and the wishy-washy change in opinion and direction the government has demonstrated since.

The third reason proffered by some observers of the political scene for this about-face by the government has to do more with the state of the Liberal party than the state of the economy. The rationale behind this reasoning is that there has been a considerable amount of discontent since July, 1974. The energy, the new direction, and leadership expected by the Liberals after their victory were just not there, and by the summer of 1975 that discontent was starting to manifest itself in audible grumbling. The Prime Minister then chose to appoint an old friend to the communications portfolio rather than a sitting member, which gave rise to even more grumbling and discontent. Then the former minister of finance resigned, and the public outpouring of discontent became nearly deafening.

At this point it is suggested that Senator Keith Davey was able to convince the Prime Minister that prices and incomes controls would let the Prime Minister seize the reins of leadership again, demonstrating vigour and vitality in attacking problems of the economy, and this would in fact allow him to turn the situation around and pass the upcoming vote of confidence at the Liberal convention.

Quite frankly, that theory has a lot of credence, and is substantiated by a lot of observations for those who want to look at them. It is really tragic that the economic initiatives taken by the government should be dictated by considerations such as that rather than by the state of the economy. It is tragic that the Prime Minister would play games with the economic lives of millions of Canadians because he had to face that vote of confidence at the Liberal party convention.

Whatever reasons there were, on October 13, Thanksgiving Day, the Prime Minister said we were going to have a system of prices and incomes control. That was an infamous October 13. Fans of the now defunct comic strip character Pogo will recall that when Friday 13 fell on Monday one had great reason for concern. We now understand and see some wisdom in that comic book character's philosophy.

Flowing from that October 13 statement is the bill that is before us tonight, C-73, called in clause 1 the "Anti-Inflation Act". That in itself is reason enough to vote against the bill because there is nothing anti-inflationary about it. This is not an anti-inflation act. It is not an act to impose a system of wage and price controls. This act is nothing more than a means of giving sweeping and extraordinary powers to a so-called Anti-Inflation Board and an administrator still unnamed. That is all this bill does.

The Prime Minister and the Minister of Finance (Mr. Macdonald) spoke in general terms about the scope of the wage and price control program they had in mind for the country, but we do not know what it is. This House does not know what it is, and the country does not know what it is. I suspect that those on the other side, including the Prime Minister and the Minister of Finance, do not know what it is. I suspect they are still working on it.

This bill is not an anti-inflation program and not a wage and price controls program. We will not be voting on either of those things. A realistic anti-inflation program that addressed itself truly to the root causes of inflation would combine prices and incomes controls with other features. Prices and incomes controls by themselves without the other features in the program are worse than nothing at all. In a sense the Prime Minister was absolutely right last year during the election campaign when he said that price and income controls were bad. They are bad if that is the sum total of the anti-inflation program because by themselves they can do more harm than good. It is the steps the government must take during an anti-inflation program, while price and income controls are in place, that would constitute an anti-inflation program.

What are those opportunities or steps? One of them quite clearly has been referred to repeatedly, but apparently the lesson still remains to be learned by those on the other side. This step has to do with government spending and the money supply. I should like to quote from a report by Dr. Philip Cramm of Texas A & I University, reported in the February, 1975, issue of *World Oil*. Dr. Philip Cramm, to put this in context, is a consultant who has worked for the International Monetary Fund, the U.S. and the Canadian governments. He states:

> —there has never been a prolonged general price inflation in recorded history that was not preceded by and directly related to a growth in money supply. In our economy a growth in money supply occurs principally when the government spends more than it taxes and prints money to make up part of the deficit.

That is precisely what has been happening in Canada. Since 1968 when this administration took over spending has gone wild, up by some 300 per cent, with deficit followed by deficit. These deficits have been financed by the printing of money, that is, by the selling of bonds to the Bank of Canada which in turn prints the money to pay for the bonds.

In spite of the claims repeated so many times in the past that we are the victim of world circumstances and that world inflation is at the root of our problems, a fact echoed just recently this evening by members of the NDP, the bulk of inflation in this country is domestic, and one of the main causes is that our money supply has gone berserk to finance government spending, which has also gone berserk.

In addition to the question of money supply and proper management is the matter of the discipline the government exercises in respect of the money it spends. For the record I should like to quote from a policy review report in 1975 by the C. D. Howe Research Institute. This report states among other things:

● (2110)

> It is clear that governments will have to impose a new form of spending discipline on themselves, because there are not sufficient natural restraints forcing them to assess the productivity of their spending. As a first step in this process of self-discipline, the public should be given more and better information on the spending process.

That is a polite non-partisan way of saying the government is spending our money in an unwise and inefficient fashion. In addition to the magnitude of the spending, this inefficient spending is one of the root causes of inflation.

This afternoon the right hon. member for Prince Albert (Mr. Diefenbaker) gave numerous examples of the wasteful extravagance of government spending such as on the Prime Minister's residence, frills, tapestry, and all the accoutrements of power—spending which certainly the average Canadian can hardly appreciate makes his life better.

I do not intend to dwell on this at any great length, but I want to refer to an article in this morning's Montreal *Gazette* by Don Sellar. He says that the contract given Mr. Roy MacLaren, a consultant whose Liberal party connections are well established and who was chairman of a 1974 fund-raising dinner for the Liberals, was that he would receive up to $158,000 in government money in return for his services in two years. This includes up to $20,000 a year in expense money, a daily allowance of up to $35 a day for food and accommodation while in Ottawa, and a special allowance of up to $4,000 a year for transportation to and from Toronto to visit his family. This gentleman was to get $158,000 of our money.

When the government spends its citizens' money in this fashion how can this have any effect other than to debase our currency and debase our taxes? The citizen does not consider, in this type of example, that taxes are his way of contributing to the financing of the operation of a government which performs services on his behalf. He looks at this sort of thing and says that the government is wasting his money. To him taxes represent something extracted

from him by law so that when he sends in a dollar from his salary he does not consider that 20 cents from it will go for housing, 30 cents for food, and so much for the salary of his member of parliament. He says that the government is ripping him off to satisfy its friends. So he will not be satisfied with an increase of $1 but will want an increase of $1.50. It is that sort of attitude toward government which is one of the root causes of inflation. This is the example this sort of thing sets for public servants and those in the private sector.

There was a time when public servants and members of the government viewed themselves as trustees of our money and acted accordingly. The example was set by government in that it had an obligation and responsibility to be frugal and efficient in the spending of our money. Frills were to be avoided in the way they would be avoided by any trustee if he is to have the respect of the individual whose funds he administers. That, however, seems to have gone by the board. Frills and wasteful spending are the norms for this government, and represent one of the root causes of inflation.

A third cause of inflation which must be addressed in any discussion of an anti-inflationary program is the matter of the position of the power groups in our society. This is a position about which John Crispo of Toronto has written and spoken. There exists in our society numerous groups which have grown up in the last few years which have the power to overcome the restraints which exist in a free enterprise system. These groups which we know as big business, big labour, and big government are immune to normal restraints. When there is an increase in wages they pass on the increase. When there is inflation they receive a larger share of the pie. An increase in taxes means nothing. Ironically the Minister of Finance alluded to that when he spoke on second reading on the bill when he said:

> The goal of narrowing the gap in income distribution can be thwarted if those in higher brackets are successful in maintaining or increasing their own real, after tax, share of take-home pay by pushing up their income levels.

If instead of talking about those higher brackets he had in fact generalized about those in positions of power he would have been right on. But I do not see any evidence that the government appreciates that these power groups are able to misdirect the economy or that there is any willingness on their part to find some solution. With the powerful looking after themselves, it is the weak, the unorganized, who in fact are paying the price. That is what is happening.

Mr. Benjamin: Hear, hear!

Mr. Andre: I find I am being applauded by the New Democratic Party. If in fact the hon. member would applaud equally as loud when I say it is important to attack those power groups which are able to exert their influence over the weak and the non-influential then I would be assured that his thought processes are straightened out.

We need evidence that the government is attacking the real causes of inflation before we or the Canadian public will be convinced that the government has a true anti-inflation program. This bill is not an anti-inflation program. It is not even a price and income control program. It is nothing more than a bill to give some extra-ordinarily vast powers to an administrator and an anti-inflation board. Even if it were considered as part of an anti-inflation program it would still be subject to very serious criticism. For that reason it is impossible for us to support it.

The main benefits of price and income controls are the psychological benefits. They provide an example of the seriousness of the problem as viewed by the government. After the government spent many months condemning such a program it is small wonder the public is very skeptical about this program. They say the government tells them one thing and then turns around and does the opposite the next year.

Even as a psychological tool or as a strong medicine, as a few people have described it, it must be responsible. We must be very careful in terms of the powers granted by this bill. It is indeed strong medicine. Price and income controls represent strong medicine. When I refer to medicine we must remember that when we have strong medicine it should be administered in limited dosage. You do not call for the open ended, unlimited administration of strong medicine, which is essentially what this bill does. One observer likened controls to a narcotic. He said that your head tells you it is not good, but it seems almost irresistible and once on it, it is tough to get off. A narcotic is not a cure, it is simply a way to kill pain temporarily, but if you get on it and take it for too long, it becomes addictive and very difficult to get off it.

● (2120)

My friends to the left are wondering if we advocated narcotics. Let me continue with the medical analogy and tell you that there is a role for pain killers in medicine, and in fact as part of our anti-inflationary program with which we faced the Canadian people we stated in all honesty that price and income controls were part of an over-all package, necessary pain killing medicine at a time when the country was suffering from a serious malady indeed.

Let me say again that this bill is not a price and income control scheme, it is not an anti-inflationary scheme. The fact of the matter is that the economy is sick, there is no question about that, and the measures of that sickness are multiple. One measure is in terms of our trade imbalance.

Earlier a member of the NDP indicated that our trade situation was fine. Obviously he has not examined the figures because, if he did, he would see that in 1975 Canada's trade imbalance in high technology products will be $9 billion as compared to $2 billion five years ago. There has been a steady deterioration over the last five years in our trade imbalance in high technology products. We are partially paying for the $9 billion by selling off capital, selling off part of the farm, and selling our raw materials. That is irresponsible. We simply must become more competitive in high technology production, and anyone who chooses not to see these figures, as does the NDP, is being totally irresponsible.

Another measure of the performance of our economy and the sickness from which it is evidently suffering was provided in this morning's Montreal *Gazette* in an article written by Mr. Peter Cook. The article is headed "Canadi-

an Economy Headed for Worst Year Since 1954". The graph which accompanies the article shows it graphically.

No one in this party discounts the seriousness of the malady from which the Canadian economy is suffering. Our economy requires a medicine, but not this kind of medicine.

Mr. Benjamin: Do you want more free enterprise?

Mr. Andre: Yes, indeed. The sickness from which our economy is suffering comes from excessive socialism since 1968, and if you had been listening earlier you might have learned that lesson. We have indicated that because of the seriousness of the problem the Leader of the Opposition adopted a responsible position, he could not operate from any other position, it is an inherent part of his character to act responsibly at all times. He proposed that if the government would restrict the use of these excessive powers to 18 months, our party would go along with this legislation. The government chose not to accept this offer by the Leader of the Opposition and proposed in return a half baked measure of parliamentary review. For that reason we have no choice but to vote against the bill on third reading.

Some hon. Members: Hear, hear!

Mr. Andre: But we express the hope and indeed the plea—and if it would help to get on our knees and beg, we would do so—that the government take the other remedial action that is necessary in the other areas I have mentioned to mount a truly anti-inflationary program so that the poor and unorganized workers, the elderly, and those in our society who do not possess the power to look after themselves can stop being buffeted about by inflation and the concomitant problems that flow from it.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on Bill C-73 may I say that judging from the status of the bill and the present response of the public to it, we can see it will receive only grudging support. The large group of organized labour, the Canadian Labour Congress, is telling us what they find distasteful in this bill and what they believe is unfair in the controls as they are proposed to be applied, that is, mostly to wage earners. I think they are making very valid points about the impossibility of applying the whole program fairly. On the other hand, profits are to be curtailed severely to 95 per cent of the previous year's average, which raises the question about our need for large capital expenditures in coming years and whether or not we will be worse off than ever. It has been indicated that in many industries profits were low. The stock market will bear this out.

It will give me great pleasure to vote against this bill as I am sure it will accomplish very little and only set the stage for reduced growth in the years ahead. The imposition of controls on the Canadian economy will slow down the economy's recovery without appreciably reducing inflation for at least a year or more.

Speaking to the Conference Board, Mr. Arthur Smith had this to say, as reported in the *Globe and Mail* of November 20:

> Next year's improvement in productivity . . . may be one of the lowest in the past 50 years . . .

> In addition, "the underlying trend rate of productivity may continue to be among the lowest of all the industrially advanced nations in the world," he told a conference on trade competitiveness sponsored by the board.
>
> Next year, "domestic productivity inhibiting factors, including those likely to arise from the anti-inflation program, are likely to make it extremely difficult to achieve quick and substantial domestic productivity gains".
>
> What may make the situation more difficult for Canada is that it may occur at the same time as the exceptionally large current account deficit, which has been shrinking for the past several quarters, starts to widen again. If the latter happens, as historical experience suggests is likely, it could begin before the end of 1976, Dr. Smith said.

● (2130)

> What makes the outlook for late 1976 even less promising is the expected high unemployment level and considerable under-utilized capacity that will be present. Also, Canada may at that time be on the verge of an "enormous" buildup in net import requirements for oil.
>
> Behind the recent deterioration in trade competitiveness for Canada are several factors, failure to increase real new investment spending to any significant extent from 1967 to 1972, the long lagged effect of the appreciation of the Canadian dollar in 1970 and the ending of the special advances in productivity under the auto pact.
>
> "A powerful array of depressing Canadian federal and provincial policies (especially regarding taxation and royalty matters) have curbed strong and efficient growth generally in Canadian resource industries."

No one is more to blame than the government for the problems of our resource industries.

> Only during the past year with weakened markets, corporate profits that declined, a more competitive import competition and the perception that inflation was producing intolerable distortions, have Canadians begun to raise the issue of job security and the risks of inadequate new job creation in decisive ways.
>
> Even then, "instead of trying to make labour markets and collective bargaining procedures work much more effectively, we have now acted to introduce a control program which even its most ardent supporters can hardly claim will help to make labour markets work better."

Surely this is an indication of what we are up against with these controls. Let us consider what is happening in the United States where there are no controls. Their third quarter growth reached 13 per cent, the strongest rise since 1960. Almost certainly the U.S. recovery will be superior in performance to that of Canada if for no other reason than the extent to which Canadian controls and their application to profits actively discourage the capital investment essential to establish any prolonged recovery.

The effect of limiting profits will be felt further down the road. The effect of controls is to limit any increase in profit and the process discourages investment. The control program takes the income redistribution process a little further at the expense of real corporate growth. For example, a person told me that he had been in business with a partner and liquidated the business, which had considerable capital, and they were waiting to divide it so that they could start a new business. However, under this legislation they will be prevented from doing so and probably will be for a long time if they are ever allowed at some time in the future to take their money out and get going again in another business. This only goes to show that two small individuals in private enterprise are going to be shackled by this legislation for some time to come.

Almost certainly unemployment will increase in the next few years. A study of the possibility of unemployment in the next few years raises certain disturbing questions. A

sharp rise from the rate of 5 per cent in June, 1974, to 7.2 per cent in October of this year has been the result of the North American economic slowdown.

It is clear that the combined effect of income controls, debilitating monetary and fiscal policies, and the low utilization rates in U.S. industry provide little optimism for improvement in our unemployment position. All studies indicate that the restrictive fiscal and monetary policies accompanying the income control plan will only stretch out Canada's high unemployment rate problem.

One of the obvious doubts being expressed is whether the controls will be accepted or will work. From the recent meeting with the federal-provincial ministers it seems obvious that provincial spokesmen are critical of the failure of the government to get the program working and to provide some ruling or benchmark. Mr. Darcy McKeough said, "Let's get it cracking." As to whether we shall have provincial boards to monitor prices, we will have to wait until December. The Anti-Inflation Board chairman now says the board will need to employ 300 people instead of the 200 originally planned. The Saskatchewan finance minister suggested that the meeting was not the most productive and called for a surtax on private incomes of more than $30,000 per year, and by doing so has introduced a new form of control.

How is each province going to react to this? Well, according to the *Globe and Mail*:

> The federal legislation provides that the private sector of the economy will come under the federal Anti-Inflation Board. A province may, according to Ottawa, place its public sector—civil servants, municipal workers, teachers and so on—under the control of the same board. Or it may decide to set up its own board to handle them.

As Quebec has done.

> Last week Premier Peter Lougheed told the Alberta legislature, "We concur with the Government of Quebec". He believes that the federal legislation, unsupported by provincial legislation, could constitute an intrusion into the provincial jurisdiction. He fears this on economic as well as constitutional grounds.
>
> Once the federal controls are in place, he fears that they might be kept in place too long, permitting Ottawa to interfere with business to the detriment of economic health.
>
> What Alberta proposes to do, therefore, is to pass legislation that is identical to the federal legislation, with its own additions. The legislation would authorize the lieutenant-governor in council to delegate administration of the act, for both private and public sectors, to Ottawa on a trial basis. Alberta would retain the power to opt out if it found the federal program unsatisfactory, or if Ottawa were to make significant unilateral changes to the program. The unilateral changes which would concern Mr. Lougheed would be anything that put controls on prices of products at the farm gate or further controls on petroleum products.

They put on a time limit of 18 months, which I think is in line with what the Leader of the Opposition (Mr. Stanfield) has suggested, that controls should be re-examined at the end of 18 months. All this indicates that the public is becoming unhappy with the program and is seeing that it is in fact Swiss cheese, with so many holes that in effect it is not a program at all.

The growing confusion in the five weeks since the time of the announcement on October 13 is overwhelming, and the Leader of the Opposition has had this to say:

> The government can bring in whatever kind of controls program it chooses within the ranges of these wide powers; it can vary any program virtually beyond recognition while the law remains in effect.—It asked us to accept instead a complicated review process which, in effect, represents nothing more than a progress report to be followed by a vote which would be meaningless considering the government's majority strength in the Commons.

This is the great problem with this program at a time when confederation is indicating to all that there is too much centralization in the economy and in the political process. We are going to centralize further with an army of civil servants.

It is obvious that Mrs. Plumptre, as a member of the Anti-Inflation Board and being critical of the action of the Egg Marketing Agency in raising the price of eggs at a time when feed costs were dropping, touched a very sensitive nerve with consumers. It is obvious that the board can do nothing about farm gate prices. I do not see it being able to do so unless it wants to have shortages develop very quickly. It is estimated that 60 per cent to 70 per cent of the change in food prices is related to farm gate prices for food consumed within our own country. That merely leaves the Anti-Inflation Board with the possibility of doing something about food from the time it leaves the farm gate until it ends up in the housewife's basket, and that would be precious little. Indeed, a substantial amount of foods is imported.

Labour is unhappy with the program; what about management? Mr. J. L. Biddell has expressed the view that the proposed guidelines are too tough on business. There is a comment by Mr. R. W. Billingsley, president of the Reed Paper company, who said in Toronto last week:

> "Perhaps the best thing I can say about the policy as now proposed is that it probably won't work, which means that it will have little detrimental effect on the economy."
>
> Billingsley's comments about the program point to one fallacy—that the control program is supported by business but opposed by labor.

● (2140)

I suggest that many businessmen are concerned about the long-term effects of the program on business. These effects can only be endured for a short time, if there are not to be serious consequences to productivity and investment. And nobody believes that the government is seriously concerned about cutting public expenditures. Indeed, the setting up of the bilingual districts, announced a few days ago, can be cited as an example of the government's intentions.

The government's campaign has lost support for the control program, rather than rallying support. Canadians are not willing to support this sort of program. They do not want to hear the Prime Minister talking about a wartime atmosphere; neither do they like Premier Regan's reference to the Dunkirk spirit. We are not ready for it. Even the Prime Minister has said that the program is primarily psychological, not economic. Canadians really do not believe that controls will work in peacetime. Organized labour has been portrayed as being against this program, while business has been portrayed as supporting it. But there are many misgivings in the business community about the value of the plan. Businessmen believe that, in the long run, it will do considerably more harm than good.

This controls plan is really a ploy in that the federal government is trying to shift the problem to the private sector from the public sector where most of it belongs. Without doubt, if inflation is to be curtailed there must be a drastic reduction, at least in the rate of government

spending, and a corresponding contraction in the money supply. The number of claims for exemption from the guidelines which will qualify for special treatment within the incomes policy will be much greater than we can expect.

I cannot help but agree with much that was said in the Canadian Labour Congress brief to the finance committee. The congress maintains that the federal government has been largely responsible, through the monetary policy of the Bank of Canada which has been developed in a most erratic fashion, for it swings from one extreme to the other. Monetary policy has never been stable, and this has created economic instability of serious proportions. All kinds of cost pressures were built into the economy from the blatant mismanagement of our monetary policy. The congress went on to say that the mismanagement of fiscal policy has been almost as bad.

The Federal Reserve Board of the United States has tried to hold the expansion of the United States money supply to some 5 per cent. In Canada the position is somewhat different. Governor Bouey has gone to great lengths to explain that the chief problem with monetary policy lies in making sure it is the right policy. He suggests that we need a moderate rate of monetary expansion, sufficient to support rising levels of economic activity, together with a gradual decline in the rate of inflation. He asked what constitutes a moderate and sufficient rate of monetary growth, and suggested that the Central Bank has been too vague in defining its goals. Others, while applauding objectives underlying the control of the money supply, are unhappy about the effect of monetary restrictions on interest rates.

Mr. Bouey has pointed out that in the past two years our money supply has expanded at an annual rate of 15 per cent, although at the end of the second quarter in 1975 the rate of expansion had been brought down to 10 per cent. Weekly statistics published by the Bank of Canada show that the money supply, as defined by Mr. Bouey, rose by 17.5 per cent, from October, 1974 to October 1975; in the past six months, from the end of April, the money supply increased by 15.8 per cent, while in the last three months the rate of increase was at 15.6 per cent. This indicates that the expansion of our money supply is proceeding apace, with no indication that it is coming down to the sort of figure the Americans have in mind.

In their brief the Canadian Labour Congress set out what the program is not able to do, namely, come to grips with the weight of external factors which produce inflationary pressures on our open economy. The government has conceded that the prices of imported products will not be controlled and that this will continue to be a major inflationary influence on Canadian costs and prices. As the world around us slowly recovers from recession, it really means that the price of foreign goods will rise. This will constitute a large element in the increase of prices in Canada. I believe that this will be the single most important factor which will prevent this program from having an over-all effect on the rate of inflation in this country.

We are now attempting, Mr. Speaker, to apply a form of wage and price control which proved wanting when applied in the United States and the United Kingdom. Shortages are bound to occur. When they do, people hoard. Scarce goods are stockpiled and the shortage is compounded.

[Mr. Ritchie.]

Various countries, even provinces and cities in Canada, have tried rent controls on residential housing. Always such controls have brought the people close to disaster and created shortages. The government has tossed this knotty problem to the provinces. When rents are controlled for any length, investment is discouraged. Continuous acrimonious debates go on between landlord and tenant, and nobody is happy. One of the great problems in controlled rents is arriving at a reasonable rent increase. The tenants, naturally, ask for reduced rents, and landlords for increased rents. As there are many more tenants than landlords there is a marked tendency for boards to keep rents below economic levels. We tend to become penny wise and pound foolish and, eventually, shortages develop.

This bill will not cure inflation, and may even compound it. It will almost certainly increase unemployment in the 18 months or so it will operate, by stifling productivity. Obviously, professionals will have to pare and reduce their workload in order not to breach the guidelines because, if they do, even with increased productivity, they will find themselves penalized. The large number of employees working for the 1,500 firms covered by the guidelines will feel aggrieved when comparing their lot with that of workers in firms not covered. Clearly, their fellow workers will have greater advantages when seeking wage increases. This can only accentuate the harmful effects which changing inflationary conditions can exert on the Canadian economy.

This bill, Mr. Speaker, is no substitute for good control of the money supply, reasonable fiscal measures and, above all, prudent government spending. Unless we wish to have a completely controlled economy, these standard and traditional methods are still the best means for controlling an economy in a free society.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in rising to register my opposition to this bill on third reading I begin by saying that we have opposed this bill from the beginning because we argue, and our arguments are supported by virtually all economists except those bought by the government, that this so-called anti-inflation program cannot work.

The government calls this a bill "to provide for the restraint of profit margins, prices, dividends and compensation in Canada." All available evidence, reports of discussions of provincial governments with the minister and the buffoon chairman of the Anti-Inflation Board, as well as statements of the Anti-Inflation Board, reinforce our view that this program could not have worked from its conception, which was illegitimate, one might say. In addition, if one considers the composition of the board, what it has accomplished, said, and refused to say until now, one thing becomes apparent—this board will not deal with the problems suggested by the title of the bill; at least it will not deal with them equitably. It will not restrain profit margins, freeze prices, hold back dividends, etc. It will do one job only—restrain wages and salaries.

Look at the board's membership. Its chairman, just a dozen or so years ago, was a professor in a Canadian university, probably making not more than $10,000 a year.

He was elected as a member of parliament, became a minister, and was defeated in 1972. He immediately became a lobbyist for multi-national and large national corporations. He has now been appointed as chairman of the Anti-Inflation Board at a salary of more than $50,000 a year. By his own admission he is taking a cut in income. We can see on what side his bread is buttered.

● (2150)

The vice-chairman, Mrs. Plumptre, receives $40,000 a year. As Chairman of the Food Prices Review Board she received a lot of press coverage. However, very few in the press gallery seemed to do much other than read the headlines. They did not read the reports that were made. They did not read the fine print.

Let us look at Mrs. Plumptre's record. After looking at price increases for butter, eggs, meat, and everything else, what did she tell the Canadian public? She said the farmers are receiving too much for their products. Workers in British Columbia's supermarkets asked for wage increases which she said are too high. She said they are responsible for high prices.

Every time Mrs. Plumptre looked at food processors such as Canada Packers, Burns or Swift, she assured the public that they were not making too much money and that everything was fine. Even though their profits have gone up every year, she says they are legitimate profits.

Then there are the supermarkets which are growing in number, dollar volume, and profits every year. After looking at them she said that Loblaws, Safeway and Dominion Stores were not making too much money. She said it was the farmer and the supermarket worker who were getting too much. They are the villains.

We then come to the former vice-president of Clarkson Company. I thought the board would have at least given the appearance of being impartial. I thought the board would at least seem to be fair and look at all the questions before giving a judgment. I quote from the November 19, 1975, issue of the *Globe and Mail* where Mr. Biddell, the former vice-president of Clarkson Company said, and I quote:

"The regulations are likely to be too restrictive and inflexible and I would expect an early need for adjustment."

The regulations have not even been tabled. They may have been drafted, but they are being kept secret. Mr. Biddell, however, knows that they are too restrictive. I again quote from the article:

He envisages a system where a company's auditors, as part of their normal function of verifying financial statements, would also take on the additional responsibility of ensuring obedience to the wage and price guidelines.

The auditors for Eaton's, Hudson Bay Mining, Swift and Company, who receive their salaries from those companies, will work for the government, at no cost to the government, protecting the interests of the ordinary people! I know whose interests Mr. Biddell has, and they are not the interests of the Canadian people. It is the interests of his former corporate clients. I again quote:

"The white paper guidelines will require the businessman to suppress almost every one of his natural entrepreneurial drives." . . .

The program's effect on wage and salary earners will not be severe, he said. "I think they will get along quite well."

I am sure the teachers in Toronto agree with Mr. Biddell today.

We then have a man who took a job that no other labour leader would look at. Not a single labour union has given its approval to the program. The CBC tried to tell the public that the CBRT and the Public Service Alliance had endorsed the guidelines. What they said was that they would support some kind of wage restraint if there were price controls which, of course, the minister has rejected from the beginning.

The former vice-president of the Canadian Labour Congress, Mr. Ladyman, has gone from being vice-president of the International Brotherhood of Electrical Workers, a union which has been very successful in getting high wages for its members, and I give it credit for that, to being a consultant for the great friend of the working people, Great West Life Insurance, an affiliate of that poor powerless corporation, Power Corporation. No other labour person would go anywhere near the program, but Mr. Ladyman did. I suggest he had good reason.

Let us look at what this board has done in its short existence. The board issued a statement in November saying that it was not the intention of the board to replace the collective bargaining process. It said it was expected that the parties would negotiate in good faith with a view to concluding an agreement under the guidelines. After they had reached an agreement, the board said it would then look at the agreement to see if in fact it was too high.

It was only a couple of weeks ago that that policy was laid down. The board has already violated its own statement. In the case of the Toronto teachers the board acted before there was an agreement. The board acted at the request of one of the contestants. I say that the chairman and the board showed their bias. They showed it further this week by saying not one word about the exorbitant, fantastic profits which the large Canadian banks have reported this year.

Mr. Deputy Speaker: Order, please. It being ten o'clock—

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, I rise on a point of order. Before the adjournment debate proceeds, may I announce that following the disposition of Bill C-73, we will call the housing bill, Bill C-77.

Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—SUGGESTION THAT MINISTERS BE PRESENT AT NATIONAL CONFERENCES RELATED TO THE ATLANTIC FISHERY

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, on July 22, as recorded at page 7803 of *Hansard*, I asked the Prime Minister (Mr. Trudeau) a question with regard to the level of representation which the government would make at all future meetings in which we would negotiate our position in respect to the Law of the Sea, ICNAF and so on. The answer I received when I asked that the ministerial level be the level at which we should be represented was, and I quote:

Mr. Speaker, I will note the hon. member's representation.

I suppose the day of debate for this could not have been more timely than this evening. Today I received a call from a fisherman. He advises me that in one of the areas off the Atlantic coast the Russian fleet has a quota of 19,000 tons. The Russian fleet appeared in that zone in May, 1975. It is present still, and it is still fishing. As to the 19,000 ton quota, I might say to you, Mr. Speaker, that two good-sized boats operating off the Atlantic Coast would be quite adequate to catch that quota of fish in a much shorter period than that between May and December.

● (2200)

There is, on the Atlantic coast, absolutely no trust that the foreign fleets are observing the quotas. Negotiations have taken place on an international basis, as we know, and we must compliment Mr. Beasley who has headed these negotiations on many occasions and who is, unquestionably, a very able and dedicated Canadian. The trouble is that whether or not he is scared of the minister, as has just been suggested by one of my hon. friends, or whether or not the minister gives him proper authority, the negotiations have not been as productive as they should have been. Attending these meetings, one finds that able people are sent by other governments-representatives who are capable of making decisions on the spot.

The only way in which Canada can hope to be represented by someone authorized to make decisions on the spot with respect to the welfare of our offshore fleet is by the minister responsible for the fisheries being a member of the negotiating team at all times. First, this would give us decision-making ability. Second, and at least as important, the presence of the minister would confer a prestige upon the delegation which it would not otherwise possess. Thus far, we have given an indication to all the foreign countries concerned with which we have been negotiating that these are items of secondary importance at best because the minister has never been present to negotiate.

This matter has been brought up on a number of occasions. If we look at page 7804 of *Hansard* we find the Prime Minister in reply to the hon. member for Annapolis Valley (Mr. Nowlan) saying, in effect, that it is difficult to withdraw historic fishing rights from European nations which have fished off our coasts for hundreds of years. I want to point out that until we entered upon this complex of international negotiations and treaties we encountered no problem as far as nations with historic fishing rights, such as Portugal and Britain, were concerned. However when we began to carve the pie up among a multitude of international fishing fleets, when we started to extend the use of these waters to Germany, East Germany, Russia, Poland, Japan, etc., the depradation of the seas began.

The Prime Minister also suggested in one of his answers on this subject—these are his words—"Of course we trust them; that was why we would not let the Russian ships come into the ports." That is a strange statement for a prime minister to make. We trust them, so we won't let them enter our ports. We are in a serious position.

The fishermen in the herring industry find that they are constrained by international agreement to the point where they can no longer make a living. The halibut and haddock fishermen are dumping their fish at sea because they dare not come ashore with them.

It is high time that the government took its stand strongly and clearly and that we, as a country, assert our historic rights; that we as a coastal state have jurisdiction over these resources; that we have our minister or the Prime Minister himself so express ourselves in the international meetings in order to bring back to this country the opportunity for making a livelihood for our fishermen off our shores, as well as for the processors and workers on shore. Let us exercise our historic rights in the fishing industry and supply the world with the food it so badly needs.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I listened with a great deal of interest to the comments of the hon. member for Carleton-Charlotte (Mr. McCain) basically because, as he pointed out in his initial remarks, his original question was put on July 22, which by some strange coincidence was immediately after the ICNAF meeting in Edinburgh, Scotland, in June of 1975.

I suggest that at the time he put his question the hon. member did not expect the eventual success that was reached by the negotiators, including the Minister of State (Fisheries) (Mr. LeBlanc), at the meeting completed in September of 1975 in Montreal. It is of interest to note that during the subsequent negotiations the minister was successful in reaching most of the aims that he had set himself in June. He succeeded in having the foreign fishing fleets of nations belonging to ICNAF, including the Russians, Spaniards, Portuguese, Germans, French and so on, limit their fishing efforts by 40 per cent. In that he achieved aims that members opposite did not think would be possible.

I think the compliments that the hon. member for Carleton-Charlotte paid to the negotiator should have been directed to the Minister of State (Fisheries), who has manifested in his portfolio imagination and persuasiveness, and has sought to protect the interests of the very fishermen in whom the hon. member for Carleton-Charlotte has displayed interest.

With reference to the herring fishery, I suggest that there has to be a recognition on the part of the hon. member for Carleton-Charlotte that what is sauce for the goose is sauce for the gander. If we are to study the fishing stocks and the quality and condition of those fish stocks through ICNAF, there has to be as well on the part of Canadians a conscientiousness and an awareness of the necessity for preservation and building up of fish stocks. If we do enter into international relations whereby foreign fishing fleets limit their catch, Canadians must also be mindful of conservation and the development of fish stocks.

I thank the hon. member for Carleton-Charlotte for communicating to the House the information he has received from one fisherman in his riding. I suggest we all communicate that information to the Minister of State (Fisheries), who in the past has shown a great deal of dispatch in dealing with such matters and investigating and taking appropriate action. The hon. member's reference to the action relating to the Russian fishing fleet is a case in point.

LABOUR CONDITIONS—STRIKE OF PULP AND PAPER WORKERS—RESULTS OF DISCUSSION WITH COMPANIES—SUGGESTION ANTI-INFLATION BOARD BE FLEXIBLE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish I could elaborate on the last question, but I am pleased that I can elaborate on a question that I put to the Minister of Labour (Mr. Munro) in this House today having to do with the pulp and paper industry.

For some reason or other, I will never understand in a million years why we do not take up in the House of Commons matters of concern to Canadians, rather than items that are newsworthy in the eyes of the press gallery. We should deal with situations of concern to the Canadian economy. I wonder why the Canadian Press has someone in the press gallery even at this time to bother making notes, because they do not pay any bloody attention to what goes on in the House of Commons. They are concerned with what might be sensational and what that can do to some newspapers.

● (2210)

The pulp and paper industry stands second in manufacturing capacity in the world with a total of 1,290,000 workers. I got these figures from Statistics Canada today. In Canada the industry supports 61,873 production workers, or 5 per cent of the total in the pulp and paper industry.

The industry is the second largest in Canada. There are 41 pulp and paper mills on downtime and many more are being added each day as a result of strikes. This pulp and paper industry which is so vital to our economy is going to drive our economy into disaster and drive Canadian exports into oblivion.

Of total world exports of pulp and paper, Canada's exports are responsible for 7 million, or the greatest percentage of the pulp and paper industry exports of some 11 million. The main thrust of my question tonight is related to the effect of strike action in the Atlantic region, particularly in the province of Newfoundland, where the pulp and paper industry, apart from the fishing industry, is the basis of our economy.

Already two paper mills in Corner Brook and Grand Falls, and a linerboard mill in Stephenville are on strike. This is the whole basis of the economy of Newfoundland, and these strikes affect some 3,525 employees, not taking into account ancillary employment in resulting services. If we were to take into account the two and a half times factor that results we would be talking about the jobs of some 9,000 employees in a province where the unemployment rate is over 19.6 per cent. If we add the 28,000 unemployed, this would bring the percentage much higher.

In 1973 the total number of workers in production capacity was just over 11,000, and of this number some 2,590, or one-quarter of that force, were in the pulp and paper industry. This figure has now reached 3,525 in three mills, which is approaching the one-third level. When taking into account our total work force it is obvious that this situation is more than disastrous.

The Minister of Labour (Mr. Munro) indicated today in his answer to me that the responsibility in so far as coming to terms between industries and unions is concerned was of provincial nature. I quarrel with the minister's determination in this regard. When any breakdown is in such a vital industry that it is of national priority in its influence, surely it has to be treated as a national responsibility, not only from a labour point of view but from the point of view of a declaration of responsibility by the Minister of Manpower and Immigration (Mr. Andras) and the Minister of Industry, Trade and Commerce (Mr. Gillespie).

I feel that a responsibility exists in relation to the Anti-Inflation Board, particularly when it is difficult to determine responsibility from the point of view of the guidelines laid down and negotiations between management and labour as related to the October 14 deadline.

It should be obvious that, as both the minister and I projected today, in the Atlantic region which is so dependent on the pulp and paper industry, the embarrassing unemployment rate should demand some concern, particularly when there appears to be a total collapse of the industry in Newfoundland and Nova Scotia.

It is, therefore, most glaringly obvious that when the difficulties exist in an industry with that basis in the Atlantic region, in light of the effect as declared by the Irving settlement, the situation must be examined on the basis of a uniform agreement throughout the region regarding all aspects of pulp and paper mills in Atlantic Canada.

Alternately, Madam Speaker, we can look at the facts as they reflect the situation in the whole of the Atlantic region where not only is the unemployment rate the highest in Canada, but where the New Brunswick and the Irving situation are prevalent and where the entire pulp and paper industry in Newfoundland and Nova Scotia is in a state of complete collapse. If in fact this situation is recognized then it is incumbent not only on the Minister of Labour, who I am sure is most sympathetic, but also on the Minister of Consumer and Corporate Affairs (Mr. Ouellet), and the chairman of the Anti-Inflation Board, to exercise the necessary flexibility in determining the guidelines dic-

tated by the anti-inflation memoranda so that a state of justice can be recognized in order to determine justice for all.

I hope that the representative of the minister in replying tonight will recognize that the pulp and paper industry has an influence on the Canadian export trade, and that therefore the Government of Canada should take steps to resolve this problem which affects so many people in our work force.

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Mr. Speaker, first of all I want to congratulate the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for raising a question which is so important to more than 60,000 Canadian employees, as he said himself.

[*English*]

The government fully understands and shares the concern voiced by members of this House on the gravity of the work stoppages facing the pulp and paper industry. As members will appreciate, while this industry is one of national importance it nevertheless is one which falls for labour relations purposes under the provinces in which it is located. Members will be aware that several provincial ministers of labour are faced with work stoppages within their respective jurisdiction in this important industry. These ministers and their officials are, of course, working to encourage settlements in the disputes, and remain in close touch with developments in each of the particular cases.

As the Minister of Labour (Mr. Munro) pointed out in the house earlier, he has not received any notification directly from the companies following request for them to review negotiations. However, as he also pointed out, a settlement has been reached in the Saint John area relatively recently. According to reports, about 500 members of the Canadian Paper Workers' Union employed by Irving Pulp and Paper Limited of Saint John, New Brunswick, have ratified a two-year contract which would renew one expiring last April.

Questions have been asked by members of this House concerning the need for the Anti-Inflation Board to indicate whether or not the settlement reached in this case might be used as a benchmark in other cases. As the Minister of Labour pointed out, it is not his function to tell the board what it should be doing which individual settlements. Indeed, it would be quite contrary and prejudicial to the board's independent status for him to do so. However, he has indicated that the workers may be entitled to more money because unions which entered negotiation for new contracts before the guidelines were proclaimed October 14, and whose previous collective agreement was signed before January 1, 1974, could get special consideration.

It cannot be stressed too strongly that parties to disputes in the pulp and paper industry, and indeed parties to collective bargaining disputes generally, should not pass the responsibility to the Anti-Inflation Board or the Minister of Labour. They have a responsibility to bargain together in good faith to secure settlements. Labour departments in all jurisdictions have experienced personnel available to assist them should the need arise. The Anti-Inflation Board, in spite of its relatively brief existence, is gearing up to answer technical questions for the application of the guidelines, and has guaranteed an answer within 30 days.

Hon. members may be assured that the government will continue to watch developments in this important industry very closely. It must be remembered, however, that we live in a free society, and among the freedoms valued very highly are the freedom of association and the right to bargain collectively.

● (2220)

[*Translation*]

It seems that at the present time some employers abuse the guidelines and refuse to sit down at the negotiation table, obviously failing to meet their responsibilities towards their employees. We want to correct this situation as soon as possible.

[*English*]

EXTERNAL AFFAIRS—ANGOLA—POSSIBILITY OF GOVERNMENT ACTION AT UNITED NATIONS TO PREVENT FOREIGN INTERVENTION IN CONFLICT

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, on November 17 I raised a question with the Secretary of State for External Affairs (Mr. MacEachen) regarding representations that might be made by Canada concerning the situation developing in Angola. At that time the minister said that no initiatives had been taken. In the reply tonight I will probably be told that subsequent to my question representations have been made at the UN. But that is not really sufficient. I would appreciate the opportunity to enlarge somewhat on my question.

I know the Secretary of State for External Affairs has taken an extraordinary interest in Angola for some time. On February 19, 1975, addressing the fifth annual conference of the Canadian Association of African Studies in Toronto he said:

> Developments in Southern Africa during the last year give some hope that the situation may significantly improve. Events in the Portuguese territories have been so rapid and so dramatic that they emphasize how unwise it is to be dogmatic. We are gratified and encouraged by the decolonization process undertaken by the Portuguese government. Very few people foresaw such changes as have occurred in Guinea Bissau, Angola and Mozambique during the past year.

Then he went on to point out the pressures that have been placed on South Africa to change its policies.

On April 11 the minister announced that Canada would be sending a special diplomatic mission to Angola and Mozambique, two Portuguese African territories which were scheduled to become independent later this year. The mission, which was to take place from May 5 to 26, was intended primarily to make a first contact with the provisional governments and future leaders of these countries. One may wonder why a mission was being sent so early and prior to their actual independence, but if we read the announcement of April 24 we learn why. Speaking in Accra the minister said:

> ... and we are sending in the next few weeks a special mission to Angola and Mozambique to lay the ground for good relations with these countries, as well as the smaller Portuguese territories of Africa, which

will stand as free and sovereign members of the United Nations and the OAU.

We learn there was a reason for that special mission. Then, on November 13, we had a somewhat belated and wan announcement which reads:

> Canada has consistently supported the rights of colonized peoples to self-determination and independence, and we have accordingly taken note and welcomed Angola's independence from Portugal which took place on November 11. However, the political and security situations there are extremely confused, and we are not at present in a position to recognize or enter into relations with any group which may claim to govern the country.

One may wonder just what report the special mission brought back. It seems to me, now we are hearing disquieting stories about Soviet and Cuban interventions, and about intervention from Zaire and intervention from South Africa, there should be a flurry of diplomatic activity to match the flurry that has gone on, and the minister's interest now should continue and not suddenly fade, when surely this is the time for Canada to be interested in a situation which very seriously threatens the peace of the world.

I would inquire what representations, not only in the UN but directly to the nations involved, the minister has made, or whether any pressure was put on Cuba. It seems to me that through our long ties with that country this is the place where some influence should have been built up over recent years. What representations have been made to the Soviet Union or to Zaire? Surely with our interest in western Africa through many years a certain influence should have been built up. If we have been pressuring South Africa, what questions have been asked there about the situation developing in Angola?

Surely if the minister has been so interested I cannot believe that the special mission did not come back without some very serious warnings to him. I cannot believe that he was not in a position months ago to have voiced the fear that there would be foreign interventions in Angola, and that a very explosive situation would develop there.

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I would like to thank the hon. member for drawing the attention of the House to such an important matter. Evidently, it is an extremely difficult question, especially in an underdeveloped continent such as Africa where most countries have been independent only since 1960. The experience of almost all countries, especially in South Africa, not the country itself but the southern area of that continent, leaves much room for improvement. They obviously need much sympathy and understanding from all countries. This sympathy and understanding were apparent from the beginning in the minister's statement.

[*English*]

As the hon. member indicated at the outset, when Angola contemplated independence the minister indicated the government's position that there was a hope that upon the granting of independence there could be a recognition within a short period of time. That is always hoped for. Unfortunately, as the political situation developed, it became evident that there were conflicting positions taken by various groups within Angola itself. The minister indicated that because of that political uncertainty, upon the declaration of independence if there was any possibility on the part of Canada to make any decision on a *de jure* or *de facto* recognition—Canada recognizing that Africa is not an area with which Canada is overly familiar—Canada could not play any helpful role by direct intervention or even in direct intervention in any of the affairs of the countries involved in this particular dispute.

However, Canada has always offered its assistance in the ways it felt it would be helpful to the nations concerned. Canada has repeatedly contributed to the International Red Cross and answered its appeals for the victims of the strife, and has indicated its preparedness to continue doing so.

I note from the remarks of the hon. member that he has been very interested in the pronouncements made by the minister relating to Angola. However, in listening to the minister's words being repeated in this House I find that there is nothing there which is contradictory, or anything which could be held to be negative or which would indicate that Canada is not ready to accept its international responsibilities. I suggest that before Canada can take bilateral steps, unilateral steps, or any steps through the United Nations, it has to think very seriously of the consequences. I think that to date the position Canada has adopted is one which ought to be commended.

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

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, December 2, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

REASON FOR DESIGNATING AS BILINGUAL POSITION OF CHIEF STEWARD AT PRIME MINISTER'S RESIDENCE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of urgent and pressing necessity pertaining to the apparent serious mistreatment of the chief steward, a government employee for ten years under two Prime Ministers, at the Prime Minister's official residence, 24 Sussex Drive.

I would move, seconded by the hon. member for Marquette:

That the Prime Minister make a statement as to why the position held by Mr. Tom MacDonald, Chief Steward at 24 Sussex Drive for ten years, has been suddenly declared bilingual when all those in the household speak English; whether Mr. MacDonald is being forced to terminate his employment in the spring and what specific part, if any, was played by the Prime Minister's wife in this regrettable and unnecessary designation of a bilingual position.

Mr. Speaker: Such a motion requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

LABOUR CONDITIONS

SUGGESTED STUDY OF WAYS TO SETTLE STRIKE OF PULP AND PAPER WORKERS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning an urgent and important matter.

Given the important strike now affecting the pulp and paper industry across the country, which may cause prejudice to all parties involved, and since the general policy of the federal government for this industry urgently needs to be revamped and updated, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House of Commons proceed forthwith to a review of the general situation of the pulp and paper industry in the country in order to take specific measures which would facilitate the settlement of conflicts, like for example the control of imports and exports.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

AIRPORTS

COST OF OPERATING DE-ICING FACILITIES AT MIRABEL—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, having to do with the very expensive de-icing system at Mirabel constructed with public funds. In view of the reluctance of the Ministry of Transport to proceed with tenders to determine the most efficient and economical way to operate this expensive system, evidenced by their abrupt cancellation of the tenders which were scheduled to be opened on November 21 at eleven o'clock, I ask leave to move, seconded by the hon. member for Lisgar:

That the Minister of Transport proceed forthwith to settle the question of who, or which company or organization, shall operate the de-icing facilities at Mirabel, and provide this House and the international airlines as well with cost data so that we may be aware of the efficiency and overhead factors together with the additional charges to the airlines which use Mirabel.

Mr. Speaker: Such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

POSSIBILITY OF COMMENCING NEGOTIATIONS FOR NEW CONTRACT AS METHOD OF IMPROVING INDUSTRIAL RELATIONS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in the absence of the Postmaster General perhaps I could address my question to the Prime Minister or to the Acting Postmaster General. In a statement this morning the postal union executive said that there are profound and continuing problems in postal labour relations, and that the union will be fighting every day during this contract for the things that are missing. In order to moderate the bitter relations that this long strike has done nothing to resolve, would the government tell the House whether it intends to take any initiative, possibly early initiation of negotiations for the new contract, to improve industrial relations in the post office?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand that the Postmaster General will be in the House a little later on and I am sure that he can deal with any questions, but I cannot take seriously the suggestion of the hon. member opposite that we start now to talk about a new contract.

STRIKE OF INSIDE WORKERS—SUBMISSION OF SETTLEMENT TO ANTI-INFLATION BOARD

Mr. Bill Clarke (Vancouver Quadra): A supplementary question for the Prime Minister, Mr. Speaker. Would the Prime Minister tell the House whether it is the intention of the government to refer the settlement reached in the postal strike to the Anti-Inflation Board for approval and, if so, will it have to take its place in the long line of cases waiting to be heard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as to the long line of cases, I do not know to what extent the hon. member is informed, but this, like every other contract, will be subject to the judgment of the Anti-Inflation Board.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR CLARIFICATION OF DECISION OF BOARD IN CASE OF TORONTO TEACHERS IN VIEW OF HISTORICAL RELATIONSHIP PROVISION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Since the white paper on inflation maintains that exceptions to the 10 per cent wage and salary increase guidelines will be permitted where an historical relationship has been established, and since the Anti-Inflation Board acknowledges that such relationship does in fact exist between metro Toronto high school teachers and metro Toronto elementary school teachers, would the minister explain how the board can possibly reach a decision that would leave the secondary school teachers in a position inferior to that of the elementary school teachers?

[Mr. Speaker.]

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the Anti-Inflation Board now has, and will have after the bill is passed, responsibility for making judgments on the facts of each particular case. I do not think it is particularly useful for me, as Minister of Finance, to try to give an explanation of every judgment reached by the Anti-Inflation Board. Those decisions speak for themselves.

Mr. Broadbent: A supplementary question, Mr. Speaker. It is precisely because they do that a lot of people, including negotiators on both sides, are much concerned. Since on page 23 of the white paper brought in by the government it is categorically asserted that where an exception is acknowledged, as it has been by the Anti-Inflation Board in this case, the purpose will be, to quote the white paper, "to maintain along established historical relationships", and since the two teacher groups in question have had salary parity for the past 21 years, does the decision by the board not flatly contradict what is categorically stated in the white paper?

Mr. Macdonald (Rosedale): Mr. Speaker, the board gave a decision clarifying both this case and the Hamilton teachers case, and I think the two of them are to be read together in order to get a full understanding of their thinking on these matters. It seems to me, as I say, that nothing useful is accomplished by my trying to add my own interpretation of what the Anti-Inflation Board is saying.

Mr. Broadbent: A final supplementary question, Mr. Speaker. Since the minister and indeed the Prime Minister have said that the collective bargaining process is not being interfered with in any way by these guidelines, may I ask the minister, following this decision by the Anti-Inflation Board, whether the decision does not mean that the phrase "historical relationships" in the white paper now no longer has any meaning, and that instead of bargaining with employers, employee groups should submit proposals directly to the Anti-Inflation Board, which would mean, in effect, acknowledging that the collective bargaining process in Canada is dead under this legislation?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman makes some sweeping allegations, but I think the general response is no.

* * *

[*Translation*]

POST OFFICE

STRIKE OF INSIDE WORKERS—REQUEST FOR STATEMENT BY MINISTER ON SETTLEMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Postmaster General.

We have just learned that 53 per cent of the postal workers voted to return to work, accepting the employer's

offers, while we were told last night that 70 per cent of the union members in Montreal voted to continue the strike. Does the minister see in that situation a play on the part of people like Parrot and company and the union, in that they would have the people believe that the postal workers are forced back to work by the Ontario vote as opposed to the Quebec vote in Montreal; and does the minister intend to unmask those hypocrites, once and for all, who try to mislead the people and save face by saying: Montreal did not want to put an end to the strike, while Toronto imposed a settlement; does the minister intend to make a statement to dot the "i"s with regard to those people?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I believe not. I feel the hon. member has done so much better than I could.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

POSSIBLE INTRODUCTION OF LEGISLATION TO REPLACE WAR MEASURES ACT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of the Solicitor General's statement yesterday that the Department of Justice is preparing legislation to be used instead of the War Measures Act for security purposes at the 1976 Olympics, would the Minister of Justice indicate to this House whether this legislation is in fact being prepared, when the government intends to introduce it, and will it, indeed, be drafted for the purpose of giving the government the opportunity to revert to the War Measures Act using another name?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I have not had an opportunity of seeing my colleague's statement, and I should like to see it and discuss it with him first.

* * *

OLYMPIC GAMES

CRITERIA USED IN AWARDING CONTRACT FOR STAMP MEDALLION TO JACQUES CARTIER MINT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I should like to put my supplementary question on the same subject, the Olympics, to the Postmaster General, and I want to take this opportunity to compliment him for having taken a firm stand with the CUPW union, albeit it has taken the longest time in history to get the mails moving in this country.

Some hon. Members: Hear, hear!

Mr. Jelinek: In view of the fact that Mr. Norton Cooper's involvement surrounding the prosecution of two DREE officials sometime ago in connection with substantial federal grants to his company, Silver Shield Mines of Toronto, could the Postmaster General advise this House what criteria led the post office to award this Olympic stamp medallion contract to Mr. Cooper's other company, Jacques Cartier Mint?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I would have to look into the question and report back to the hon. gentleman. Frankly, I am not aware of the circumstances at the time the contracts were awarded.

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THE MINISTRY

REASON FOR DELAY IN ANNOUNCING NEW MINISTER OF COMMUNICATIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as more than seven weeks have now passed since the fatal parachute drop into Hochelaga, will the Prime Minister advise the House what is causing the latest paralysis in the government's decision making process, and when may we expect an announcement of the name of the new minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am testing new chutes to make sure this doesn't happen again.

Some hon. Members: Hear, hear!

Mr. Hees: That is good news, Mr. Speaker. I would ask the Prime Minister whether the real reason for this very long delay is not the fact that what has now become known as the "Sky Shops test" for all candidates is taking a little longer than expected?

Some hon. Members: Oh, oh!

Mr. Trudeau: The hon. member means the "sky drop test," Mr. Speaker.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—ACCEPTANCE OF GUIDELINES BY PROVINCES OR ADOPTION OF DIFFERENT GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who last week indicated that, with the possible exception of Saskatchewan, the provinces are only undecided on the administrative formula under which provincial jurisdiction will be covered by this program. Would the minister tell the House whether the other nine provinces specifically accept in principle the economic guidelines outlined in the white paper and their application to provincial jurisdictions?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in the very broadest sense I think one could say yes. In more specific terms, in reference particularly to the pricing for provincial goods and services, at the meeting last week there was what I think can be said to be rather diverse but general dissent to the notion of applying the guidelines to all elements of pricing, for example to the pricing of liquor in Ontario liquor stores and to Ontario Hydro. In that sense, as I indicated after the meeting, there

will have to be further discussions to determine if the province is to go under section 4(4) or section 4(3) and the extent to which it will apply the guidelines to the services and goods which it is responsible for making available to the market.

● (1420)

Mr. Stanfield: Mr. Speaker, the minister having said, and I shall quote briefly from a press interview of last Wednesday, "Our preference in that regard would be to try and get as much national uniformity as we can, but we have set out in the bill the option for the provinces and we have to accept the fact that some may choose that option", do I take it that it is the minister's position that this option permits a province to administer guidelines that may differ from those administered by the Anti-Inflation Board, that is that it may bring in further different guidelines within the spirit of provincial jurisdiction being maintained by the province.

Mr. Macdonald (Rosedale): Mr. Speaker, that is one of the matters that will be the subject of agreements to be entered into between the provinces and the federal government in respect of which there will be a further meeting at the official level this week. In general terms our preference would be that even in relation to the 4(4) option the national guidelines be applied. Naturally, when they are being applied by different bodies there is some scope for difference in application.

Mr. Stanfield: To be precise about it, Mr. Speaker, then the minister has not yet received an assurance that any province which wishes to retain administration within its own jurisdiction will in fact follow the federal guidelines and a province could comply with the Act we are being asked to pass and yet follow different guidelines from those pursued by the Anti-Inflation Board.

Mr. Macdonald (Rosedale): Mr. Speaker, of course the matter has not been concluded. The effort the officials will be making at the meeting on Thursday will be to try to get a commitment to achieve as broad uniformity as possible. The agreement itself will be the subject matter of negotiations, so I cannot be firm for the hon. member in that regard.

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ROYAL CANADIAN MOUNTED POLICE

SKY SHOPS INVESTIGATION—RELATIONSHIP BETWEEN SENATOR GIGUÈRE AND KEBEC RESTAURANTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Solicitor General. Can the hon. gentleman advise if the relationship, if any, between Senator Giguère and Kebec Restaurants, and any subsidiaries or associates of this company, is part of the area being investigated by the RCMP?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I cannot give that information in the House of Commons.

[Mr. Macdonald (Rosedale).]

AIRPORTS

MIRABEL—REQUEST FOR TABLING OF DOCUMENTS RELATING TO AWARDING OF CONTRACTS FOR CATERING, RESTAURANT AND BAR FACILITIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, this question is directed to the Minister of Transport. I want to thank him for tabling the data in respect of the establishing of duty-free shops and ask him whether he is prepared to table the documents outlining the considerations on which all catering, restaurant and bar facilities were awarded at Mirabel.

Hon. Otto. E. Lang (Minister of Transport): Mr. Speaker, I will have to look into that.

* * *

[*Translation*]

GRAIN

FEED GRAIN—REQUEST FOR ASSURANCE OF SUPPLY

Mr. Yves Caron (Beauce): Mr. Speaker, my question is directed to the Minister of Transport who is also the minister responsible for the Canadian Wheat Board.

Two weeks before closing the seaway, it is obvious that feed grain supplies in the ports along the St. Lawrence are insufficient and that cattle producers are concerned about this situation; they will also have to pay higher prices for feed grains and additional premiums in winter to feed their cattle. Can the minister assure this House and the producers of eastern Canada that enough feed grain will be stored for the current year at prices which will not reflect the present difference between the prices on the open market and the prices of the Canadian Wheat Board?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, of course prices do depend upon a variety of market conditions and can change. The supply situation is one in which the various buyers must look to the need and see that supplies are available. I can give the House this assurance, that a recent examination of supplies has indicated that there is in fact as much or more western grain in position in eastern Canada at this time, and that some significant movement of grain is continuing down the seaway before the closing of navigation. There is, of course, this year also a larger supply of Ontario corn, as well I believe, as additional corn in the province of Quebec, so the supply situation is basically a sound one.

[*Translation*]

REQUEST THAT FEED GRAINS SUBSIDY REMAIN UNCHANGED

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I have a supplementary for the same minister, as minister responsible for the Canadian Wheat Board.

Can the minister assure the cattle producers of eastern Canada that the assistance for the transportation of feed grains will not be removed nor changed, unless it is incorporated in the new freight policy?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the very specific question of certain modifications in feed grain assistance was included in the feed grain policy announcement some time ago steps will be taken in relation to that. The over-all policy on transportation of course will evolve with time. I do not know that this particular part of it can be separated from all of these developments.

* * *

CANADIAN WHEAT BOARD

DATE OF DECISION ON APPOINTMENT OF TWO COMMISSIONERS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. Has his department made a decision as yet on the appointment of two new Canadian Wheat Board commissioners?

Hon. Otto E. Lang (Minister of Transport): No decision has been made as yet, Mr. Speaker.

* * *

INDIAN AFFAIRS

ALLEGED DESIRE TO EXCLUDE NATIVES FROM LAND CLAIM NEGOTIATIONS WITH BRITISH COLUMBIA—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and it has to do with press reports that the minister wrote a letter dated September 23 to the premier of British Columbia which is reported as having said that in the matter of negotiations regarding Indian land claims Indians should not be involved. He said "... would not be appropriate and some other way of carrying out negotiations would have to be explored". I want to ask the minister what possible reason there could be for excluding the Indian people's representatives from these negotiations unless, as one Indian chief has suggested, it is because the federal government wanted to work out a sweetheart deal with the province before sitting down at the table with the Indian representatives?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): It would be a very strange day when we could work out a sweetheart deal with the government of British Columbia.

Some hon. Members: Oh, oh!

Mr. Buchanan: The quotation very carefully left out the preceding part of the letter which expressed my concern that the two levels of government might be accused of ganging up on the Indian people, and I suggested that we should sit down, discuss the matter, and reach a common ground. We have not moved from the position that it is the federal government's responsibility to deal with and extinguish the claim. The point with which we have had no success until now is to bring the provincial government to accept that they have a responsibility so far as land and resources are concerned.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am glad that the minister acknowledges that it would not be possible to work out this sweetheart deal but I want to ask the minister this question: In view of the fact that the government of B.C. has already acknowledged and conceded that it has responsibilities in this field, may I ask him now why the federal government is not prepared to sit down with the Indian people's representatives and the provincial government since the Indian people have a vital interest in the matter? Will the minister assure the House now that in the preliminary negotiations which take place the representatives of the Indian people will be present along with the representatives of the two senior governments?

● (1430)

Mr. Buchanan: I should point out that the acceptance of the responsibility to which the hon. member makes reference is a very recent conversion just embodied in a telegram which I received a couple of days ago from Mr. Norman Levi. I have replied to that telegram suggesting a date, a place and a time for the meeting with Nishga Indian representatives on January 12 in the Nass valley, and I just hope he will accept.

Some hon. Members: Hear, hear!

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[*Translation*]

EXTERNAL AFFAIRS

INQUIRY AS TO ANNOUNCEMENT OF POLICY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the Secretary of State for External Affairs.

Considering that Canada ought to play an important role in the international field, while we seem to lose some credibility on account of our hazy and occasionally inconsistent foreign policy, would the Minister tell the House if he intends, in the near future, to propose guidelines for a Canadian policy on matters of external affairs as his predecessor seemed willing to do a few years ago?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am appearing before the Standing Committee on External Affairs and National Defence this evening, and whatever I present will be firm.

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LABOUR CONDITIONS

PROPOSED LEGISLATION PROVIDING FOR SUPERVISED SECRET STRIKE BALLOT—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is to the Minister of Labour. In view

of the very ample precedents which already exist in Canada's labour laws respecting government supervised secret ballots, I wonder if the minister would inform us if the government would endorse the bill already before the House in respect of a government supervised secret strike ballot. If not, would the government consider substituting one of its own?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think, as a general principle, the government enunciating whether it would be advisable in all circumstances to require an amendment to the Labour Code in matters of this kind should at least first be discussed with the tripartite body which we have set up, or the Canada Labour Relations Council, because as the hon. member knows, that has been heartily endorsed by his own party as a means of trying to have management, labour and government come together on a better technique to resolve labour disputes and to encourage a greater degree of industrial peace in this country. Having set up the body, and everyone wanting it to have a reasonable chance to attain this objective, it seems that to preempt it and to move without prior discussion would not be advisable.

Mr. Lawrence: I wonder then, if the minister would indicate if at this initiative he is going to put this before the tripartite body.

Mr. Munro (Hamilton East): Certainly, the terms of reference of the tripartite body are to go into any and all techniques which would reduce the adversary element within labour relations, and I think that would include discussion on this particular point. I am certainly prepared to ask the labour body at what time it wishes to get around to discussing this. It is discussing consolidated bargaining units and other matters at the present time, as the hon. member knows.

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POST OFFICE

INCREASE IN INTERNATIONAL RATES—APPLICABILITY TO WEEKLY NEWSPAPERS SHIPPED TO UNITED STATES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Postmaster General. In his statement covering the rate of increase for international postal rates the minister stated:

> Excluded from the increase, however, are the rates and fees to the United States, its territories and possessions, with the exception of certain publishers' rates.

Four weekly newspapers in my constituency have contended that the cost of mailing their newspapers to the United States after January 1 will increase by some $3,000 or more. Therefore, my question to the Postmaster General is, will this stated increase be applicable to the shipment of weekly newspapers to the United States, or are they excluded?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I thank the hon. gentleman for giving me notice a few minutes ago. The press release is definitely ambiguous. We have special rates for the United States which are not considered part of the international rate, and I would want to check that information this afternoon and get it to the hon. gentleman.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTION PERSON OUTSIDE CIVIL SERVICE BE CONSIDERED FOR POSITION OF ADMINISTRATOR

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Finance. In light of the fact that Bill C-73 seems to be on its last legs in this House—

An hon. Member: You want to bet?

Mr. Baldwin: —can the minister advise if he now has a suitable candidate for the position of administrator under the legislation?

Mr. Chrétien: Are you looking for the job?

Mr. Baldwin: In addition, in light of the fact that the administrator will be both in an adversary and possibly quasi-judicial position vis-à-vis the government, will the government consider going outside the civil service for the appointment in question?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would be glad to consider that suggestion.

ANTI-INFLATION PROGRAM—NUMBER OF COMPANIES TO WHICH GUIDELINES APPLICABLE—SIZE OF STAFF NECESSARY TO MONITOR COMPANIES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I clarify a problem which has just been brought to my attention with respect to the number of companies involved with employees over 500 and which are subject to the anti-inflation legislation? It has been stated there are something like 3,000 companies involved rather than 1,500 and that there can be up to something like 50,000 companies involved in the construction industry. Does the minister agree with that statement, and if not, what are the new figures which he has to present to the House?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would be glad to take this question as notice.

Mr. Alexander: In light of the fact that it has been pointed out that something like 3,000 companies with over 500 employees are involved and some 50,000 involved with the construction industry, does the minister still feel that a staff of about 200 is adequate to realistically monitor the actions of these companies?

Mr. Macdonald (Rosedale): I think the first thing to do is to find out if the hon. member's figures are accurate.

[*Translation*]

AIR TRANSPORT

GOVERNMENT POSITION ON IMPLEMENTATION OF REGULATIONS FOR BILINGUAL GROUND TO AIR COMMUNICATIONS

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

About ten days ago, the minister received a telegram from the inspecting pilots of the airlines, Quebec section, in which they stated the use of French would not in any way jeopardize air security. Can the minister tell the House if he still intends to implement the guidelines which were proposed by Mr. McLish or if the matter is at present being discussed?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the study of the question of safety in air travel and the use of languages is an ongoing matter, and I have no further indication of change at this moment. My officials are meeting with a variety of people, including the inspectors to whom the hon. member referred, to pursue the question of safety further.

[*Translation*]

BILINGUAL GROUND TO AIR COMMUNICATIONS— CONSULTATIONS WITH QUEBEC SOLICITOR GENERAL

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask a supplementary question.

Considering that the Solicitor General of the province of Quebec fully supports the view of the pilots' association, did the minister discuss with him or does he intend to do so?

[*English*]

Hon. Otto E. Lang (Minister of Transport): I do intend to have such a discussion. The question of safety is one which we must leave in the hands of those who are expert in the analysis of this question.

* * *

FOOD PRICES REVIEW BOARD

POSSIBILITY OF TRANSFERENCE OF STAFF AND REPORTS TO ANTI-INFLATION BOARD

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the fact that Mrs. Plumptre is now in a new position, has the entire staff of the Food Prices Review Board been discharged or transferred, or are there still employees on that board's payroll?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, most of the members of the Food Prices Review Board, I would say 95 per cent, have been transferred to the new Anti-Inflation Board.

[*English*]

Mr. Towers: Are all reports, price lists and all the material which has been available to the Food Prices Review Board going to be made available to the Anti-Inflation Board?

[*Translation*]

Mr. Ouellet: Yes, Mr. Speaker, the new board must take over the work done under the former board.

* * *

[*English*]

INDUSTRY

PULP AND PAPER—POSSIBILITY OF AGREEMENTS WITH PROVINCES TO AID IN REFORESTATION AND INVENTORY CONTROL

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is to the Prime Minister. Has the cabinet considered the very serious economic trends which are currently plaguing the pulp and wood fibre industries in Canada, and has it considered re-instigating or re-instituting a number of agreements with the provinces which existed in the mid 1960's? These would help the industry with regard to such things as forced access, reforestation and inventory control.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would certainly consider these, but I wonder if the hon. member has considered that he is really asking for a serious rise in government spending.

* * *

● (1440)

THE MINISTRY

PROPOSED ESTABLISHMENT OF MINISTRY OF FORESTRY

Mr. F. Oberle (Prince George-Peace River): A supplementary question. In light of the difficulties the forest industry is experiencing—which is incidentally, the second largest in Canada—I wonder if the Prime Minister is considering re-establishing a ministry directly responsible for this particular industry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can consider this, too, but as I answered a member on the other side the other day when he asked me a question about multiculturalism, I have to take note that the opposition has asked for the enlargement of the ministry which, of course, would mean spending more money. But I will consider this.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF GUIDELINES TO PRICE OF NATURAL GAS

Mr. Alan Martin (Scarborough West): Mr. Speaker, a question for the Minister of Finance. Further to his earlier

comments, would the minister be good enough to indicate whether in his opinion the anti-inflation guidelines will apply to any increases to the consumer subsequent to October 14, 1975 in the price of natural gas in the Scarborough area?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the price increases would be made up of agreed price increases at the well head between the provincial governments and the federal government, the gathering charges in Alberta, the charges for transmission by TransCanada PipeLines and the costs of distribution within Ontario. The TransCanada PipeLines' charges will, of course, be governed by the guidelines as applied by the National Energy Board.

The distribution costs within Ontario will be governed by the public sector agreement to be made between the province of Ontario and the federal government and made either by the Ontario Energy Board or perhaps by the Anti-Inflation Board. We feel it would be desirable in both these cases to achieve that kind of control. The basic price of natural gas itself would not be governed by the guidelines and would have to be submitted for agreement between the federal government and the provinces from time to time.

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FINANCE

PROPOSED MANDATORY PROVISION THAT BANKS ALLOCATE MORE MONEY FOR MORTGAGES—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Finance. In view of the announcement today that the chartered banks have made huge increases in profits this year over last year and the fact that they put only an additional $300 million into mortgages despite the call by the minister of state for housing for one billion dollars, would the minister agree that the moral suasion is not enough and instead make it mandatory that the banks allocated a greater portion of their investment portfolio for mortgages at a fixed low interest rate?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it seems to me that the hon. member's conclusion does not flow from his premise.

Mr. Nystrom: Mr. Speaker, perhaps I could rephrase the question. In view of the fact that the chartered banks have made huge increases in profits, much larger increases than other businesses in Canada this year over last year, and in light of the fact that they have only put an additional $300 million into housing despite the call of the minister of state for housing for one billion dollars, would the minister now agree to bring in legislation amending the Bank Act, making it mandatory that they allocate a greater portion of their investment portfolio for housing at a low, fixed interest rate?

Mr. Macdonald (Rosedale): Mr. Speaker, we will be putting before the House before next summer legislation for amending the Bank Act as a result of the decennial revision. I suggest it probably makes more sense to have a considered amendment of the Bank Act rather than try to do it on the ad hoc basis that the hon. member may decide from week to week from reading the newspapers.

Mr. Nystrom: A final supplementary, Mr. Speaker. In view of the statement made by the former minister of finance when he brought down his budget last year to the effect that the housing sector was contributing to unemployment and not playing its full role in providing jobs for Canadians, I should like to ask the present Minister of Finance whether he can now say how much unemployment can actually be attributed to the fact that the banks are not playing their full role in helping build houses in this country?

Mr. Macdonald (Rosedale): No, I cannot say that, Mr. Speaker.

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ADMINISTRATION OF JUSTICE

SUPREME COURT DECISION ON MISUSE OF CONFIDENTIAL INFORMATION—INSTRUCTIONS TO LAW OFFICERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Justice arising out of the unanimous decision of the Supreme Court of Canada written by the Chief Justice and involving the former chairman of the anti-dumping tribunal. Has the minister had an opportunity to review this excellent decision? Also, in view of the harsh criticism by Chief Justice Laskin of the government's misuse of investigative powers and information obtained under the Combines Investigation Act and the Income Tax Act, and assuming that the minister has had time to review the judgment, what instructions has he given to the law officers of the Crown on the misuse of information which by statute is confidential?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I read the judgment of the Supreme Court of Canada with a good deal of concern and I appreciate the hon. member raising the question. I have asked for a full report of the circumstances surrounding the case, which occurred some years ago. I have not received a report because of the absence of one of my counsel in Toronto. I want to assure the hon. member however, and the House, that I do not condone, and have so indicated to my officers, the use of either the Income Tax Act or the Combines Investigation Act except for the purposes spelled out in those acts. I want to make it very clear that I have put this position to my officials. I am determining the factors surrounding that case and I feel fairly sure that neither of my two immediate predecessors have condoned the use of material obtained under those Acts for purposes not provided for in the Acts.

REQUEST FOR ASSURANCE INFORMATION GIVEN STATISTICS CANADA WILL REMAIN CONFIDENTIAL

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. As is mandatory under the statute that governs Statistics Canada and similar Acts, when people are asked to fill out certain forms with infor-

mation about their business and personal affairs, will the minister assure the House that this information will be confidential and not used by officials of the Crown or any other officials in any other department of government?

Hon. Ron. Basford (Minister of Justice): Mr. Speaker, I can assure the hon. member that to the best of my ability the information gained under those Acts will be used in accordance with the provisions of those Acts which contain very strict measures relating to confidentiality of information. I want to assure the hon. member of that. An incident was raised in this House some two years ago about Statistics Canada divulging information under the Income Tax Act. That was stopped and since then an interdepartmental committee has been examining the situation to assure that the confidentiality sections of all those Acts are protected.

* * *

HEALTH

ALLEGED INADEQUATE INSPECTION OF FOOD STORAGE AND MANUFACTURING PLANTS—GOVERNMENT POSITION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. Since the objective of the health protection branch of the Department of National Health and Welfare is to protect Canadians from health hazards in the food supply, which includes nutritional and microbiological quality, environmental contaminants, food additives and food standards as well as sanitary requirements, I should like to ask the minister how he ever hopes to assure the people of Canada that they are protected when more than 7,000 of the 10,500 food manufacturing and storage plants in Canada are inspected on an average of only once in every seven years for violations of the Food and Drugs Act as reported by the advisory committee on food safety assessment?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I must appear before the Committee on Health, Welfare and Social Affairs this evening where my estimates will be studied. I will then be pleased to discuss the matter further with the hon. member.

* * *

[*English*]

AIR TRANSPORT

PROVISION OF TWO AIRCRAFT FOR SKYWEST—IMPLEMENTATION OF GOVERNMENT COMMITMENT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Transport. Does the minister intend to honour the commitment of his predecessor, the present minister without portfolio that two aircraft would be provided or lent to Skywest to institute the air service to Dauphin, Brandon, and other points which had been promised to the Manitoba government?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the intention of the government has been to purchase the two craft but to be sure, in the first instance, there would be a way of operating them. In that case, we are waiting for the necessary procedures to be gone through. We obviously will have to review our position at this point.

Mr. Ritchie: A supplementary question. Has the minister indicated whether he is in favour of tendering by private and public airlines in awarding contracts for such service as this?

Mr. Lang: Mr. Speaker, that has only arisen incidentally since I have been Minister of Transport.

* * *

● (1450)

POST OFFICE

STRIKE OF INSIDE WORKERS—PROVISION FOR DISCIPLINARY ACTION FOLLOWING RETURN TO WORK

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is to the Postmaster General. In view of the marginal vote by the postal union to return to work, and in view of the six weeks duration of the strike, will the government be signing the normal return-to-work agreement which might allow 72 hours for the men to be on the job and provide that any disciplinary action will be taken through the courts and not on the job?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there is no need for any disciplinary action. The unions announced that they are ready to go back to work at five o'clock. As a matter of fact, many have already gone back.

REQUEST FOR REPORT ON FIRE IN TORONTO OFFICE

Mr. Stan Darling (Parry Sound-Muskoka): I assume that the normal Christmas mail and parcel delivery will be resumed immediately. Will the minister comment on the report that there has been a fire in the Toronto post office? Apparently some of the dissidents would rather burn the mail than sort it.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I must say I am lucky that at the all-night session the ratification vote was not announced as 50.001. I do mind the fire in Toronto. I deplore the bombing of one of our depots during the night by molotov cocktails and some damage done in Quebec city. I cannot say if it is connected with the union or not.

Some hon. Members: Oh, oh!

Mr. Mackasey: It may be funny to some members, but I do not feel it should go on in this country.

* * *

LABOUR CONDITIONS

STRIKE AT DE HAVILLAND—GOVERNMENT ACTION TO SETTLE

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is to the Minister of Labour. I wish to ask if there is any influence which his department or the government can

bring to bear in order to resolve the 14 week strike at de Havilland aircraft?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker. This again is a matter on which the union and management should get together to try to resolve in the context of the anti-inflation guidelines.

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EXTERNAL AFFAIRS

GRAIN FOR BANGLADESH—INQUIRY AS TO CONDITION ON ARRIVAL

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Secretary of State for External Affairs of which I have given him notice. Can the minister advise the House if the *Amoco Cairo* carrying the gift of 129,000 tons of Canadian grain to Bangladesh has discharged its cargo? If so, how many tons were discharged in sound condition? Of the discharge, how many tons were available for direct human consumption and how many tons were suitable only for animal feed?

Mr. Speaker: Surely, that information can be obtained in another manner.

* * *

POST OFFICE

SUGGESTED CONTINUANCE OF NEGOTIATIONS TO SETTLE LABOUR PROBLEMS

Mr. Cecil Smith (Churchill): Mr. Speaker, before the Postmaster General arrived today, the Prime Minister indicated that it would not be appropriate at this time to negotiate further with the CUPW. In view of statements by the Minister of Labour that continuing negotiations should be carried on during the term of a contract, and in view of the fact that the postal agreement just reached has only 19 months to run, will the Postmaster General continue negotiations in an attempt to solve some of the profound and continuing problems in postal labour relations arising out of the reluctant acceptance by the union rank and file of the government's offer?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the collective agreement contains provision for labour and management consultation on a weekly basis. I think that in the past this has solved most of the problems. In most of our post offices, which are manned by decent, law abiding Canadians, hopefully that will be the continued method. If there are some who cannot live within the post office and abide by the rules, they must get out of the post office.

[Mr. Philbrook.]

TRANSPORT

DIFFERENTIAL BETWEEN RATES ON RAPESEED AND RAPESEED PRODUCTS—GOVERNMENT ACTION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the Minister of Transport. In view of the protracted controversy over rail freight rates for rapeseed as against rapeseed products shipped from western Canada to Montreal, Toronto and other areas, and in view of the commitment given by the government last summer in the policy paper on transportation that it would order the CTC to establish rates on rapeseed products at minimum compensatory levels and the increase in railway cost figures, what action has the minister taken or when will he be taking action? Also, what effect, if any, will this have on reducing the existing differential between freight rates for rapeseed and rapeseed products?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the Minister of Transport had extensive discussions with the western ministers in particular to arrive at appropriate positions following the CTC decision. There was a general agreement reached about the approach that might be used. Unfortunately, certain steps to arrive at that result require either the consent of a variety of parties or legislation. We have been attempting to obtain that consent. We do not yet have all of it in place in order to implement the understanding about what the rates ought to be and what their relationship ought to be.

* * *

LABOUR CONDITIONS

DATE OF TABLING OF HALL REPORT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I wish to address a brief but very important question to the Minister of Labour. In view of the fact that the minister stated last October that it was hoped the report of Dr. Noel Hall, the industrial inquiry commissioner, concerning all aspects of railway pensions would be available soon, when might we expect this very important report and when will it be tabled in the House?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, contact has been had with Dr. Hall. The answer still is that it will be soon. His hearings were more protracted than he anticipated.

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CANADIAN PACIFIC RAILWAY

RESTORATION OF SERVICE TO GLENWOOD AND HILL SPRING—GOVERNMENT ACTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I wish to direct my question to the Minister of Transport. On November 21 the minister received a telegram from Harold Boucher, the president of the Magrath and District Chamber of Commerce which read, and I quote:

Advise what arrangements made to move grain from Glenwood and Hill Spring elevator. Situation desperate. Grain piled on ground.

Deteriorating daily. Surely you can order CP Rail to move grain either by rail or truck.

Will the minister inform the House what has been done in this regard? Has he instructed CPR to restore service to Hill Spring and Glenwood?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, any such instructions would have to originate from the CTC. The problem with rail movement is there is difficulty with a bridge that cannot handle ordinary service. There is real doubt about the ability of anyone to order a movement by truck. However, we have been negotiating toward a specific truck movement of grain. We are attempting to put the final details of that movement in place. I hope to be able to tell these communities in short order about that plan.

* * *

POST OFFICE

POSITION OF CASUALS FOLLOWING SETTLEMENT OF STRIKE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the Postmaster General. Will the future of casuals within the letter sorting operations of the post office continue as they were before? More specifically, will extra casuals now be hired to help with any backlog?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, because of the unique position of the post office, casuals will always be needed for emergency purposes, including Christmas. We have not in any way restricted their use in this context. The answer, therefore, is yes, we will be using casuals when necessary.

* * *

[*Translation*]

EXTERNAL AFFAIRS

DELAY IN PRESENTATION OF CREDENTIALS BY AMBASSADOR TO FRANCE—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs.

Can he tell us whether the Canadian ambassador to France, His Excellency Mr. Gérard Pelletier, has finally succeeded in presenting his credentials to the French government? If not, has he communicated with the French government in that connection? And finally, if those credentials are not required by the French government does the minister intend to order very shortly the return in Canada of His Excellency Mr. Gérard Pelletier?

An hon. Member: Not in Hochelaga!

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the ambassador designate has not yet presented his credentials. A date has been put forward for that event later this month. In the meantime, it is not the intention to withdraw Mr. Pelletier. We understand that the delay in the presentation of the credentials

was due to the heavy administrative burdens of the President of France.

* * *

● (1500)

[*Translation*]

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House,
Ottawa,

December 2, 1975

Sir:

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the second day of December at 8 p.m. for the purpose of giving royal assent to certain bills.

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

ROUTINE PROCEEDINGS

[*Translation*]

PRIVILEGE

MR. STANFIELD—STATEMENT MADE ON TELEVISION BY MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. I should like to comment on the question of privilege raised yesterday by the Minister of National Health and Welfare about the CBC, CTV and myself. The opinions I expressed last Friday were based on the CTV interview of the minister of last Thursday evening.

[*English*]

I must say that some others got that impression from the interview, as I did. The minister indicated, in the course of the total interview, that he is somewhat sensitive regarding attitudes toward Quebec and Quebeckers. I am perhaps somewhat sensitive about attitudes attributed to my party in connection with Quebec and Quebeckers.

Following the exchange on Friday, later in the day the minister and I had a chat. He has since made available to me a full transcript of the CTV interview of which I heard an excerpt presented on Thursday evening. I am happy to say that the transcript fully supports the minister's assertion that he in no way implied any racist behaviour on the part of my party.

Some hon. Members: Hear, hear!

Mr. Stanfield: I might say, in closing, that I do not make a practice of watching the television news at eleven o'clock, and perhaps in view of my hot blood—

Some hon. Members: Oh, oh!

Mr. Stanfield: —I should elevate that practice into an invariable rule.

Some hon. Members: Hear, hear!

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): On the same question of privilege, Mr. Speaker—

[*English*]

Since the remarks of the Leader of the Opposition (Mr. Stanfield) to me were based, as he put it in his own phrase, on the opinions of the Minister of National Health and Welfare (Mr. Lalonde) and on the erroneous impression that he had seen the commissioner of the RCMP without the presence of the Solicitor General (Mr. Allmand), he might wish to say he regrets using the words: "I hope this doesn't show any racist tendency on the part of the Prime Minister." Surely that was meant in fun, but it wasn't very funny in my view.

Mr. Stanfield: I had intended to raise this matter with the Prime Minister (Mr. Trudeau) privately if not publicly. I am happy to have an opportunity to clarify it. I say, in all frankness, that my reaction Friday morning was to attempt to deal lightly with the situation. There seemed to me to be a charge by the Minister of National Health and Welfare (Mr. Lalonde) which I could not entirely ignore. I thought a reference to a meeting involving the Prime Minister, the Minister without Portfolio (Mr. Marchand) and the commissioner, in the absence of the Solicitor General (Mr. Allmand), would be so obviously absurd—

Mr. Trudeau: He was there.

Mr. Stanfield: I said it was reported to me. I thought the question would be so obviously absurd that the Prime Minister would treat it in the way I intended it to be treated—as a joke. It simply illustrated the absurd lengths to which charges of racism can be pushed. I regret that my sense of humour did not appear to be entirely appropriate to the occasion. Even the finest instrument sometimes goes out of tune.

Some hon. Members: Hear, hear!

Mr. Stanfield: I simply wish to assure the Prime Minister—I am sure he will accept my assurance—that I had no intention, on Friday morning, to insert any note of ugliness into our discussions and I regret the fact that the Prime Minister—I am not suggesting he is to blame for this—should have misunderstood. I put it this way: I regret that the light touch with which I had intended to handle a delicate situation turned out to be a trifle heavy-handed.

Some hon. Members: Hear, hear!

[*Translation*]

COMMITTEES OF THE HOUSE

REGIONAL DEVELOPMENT

Fifth report of Standing Committee on Regional Development, in both official languages—Mr. Lumley.

[*English*]

TRANSPORT AND COMMUNICATIONS

Ninth and tenth reports of Standing Committee on Transport and Communications—Mr. Campbell.

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

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EXTERNAL AFFAIRS

TABLING OF DOCUMENT ENTITLED "THE FINAL ACT OF THE CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE"

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I should like to table copies, in English and French, of a document entitled "The Final Act of the Conference on Security and Co-operation in Europe."

STATEMENT ON "THE FINAL ACT OF THE CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE"

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the document I have just tabled, "The Final Act of the Conference on Security and Co-operation in Europe"—called from the outset by its initials CSCE—was signed at Helsinki on August 1 by the heads of government of the states of Europe and of Canada and the United States. It is intended to establish the basis for the development of future relations between their countries and peoples. It is, therefore, an entirely forward-looking document; it does not look back to the past.

Many Canadians have been erroneously led to believe that by signing the Final Act of the CSCE Canada and its allies did something that sanctified the status quo in Europe. It is true that the Soviet Union for the last thirty years and during the course of the CSCE itself sought to gain acceptance of the political and geographical situation in Europe. But throughout the conference the NATO allies worked to avoid a document that could be pointed to in years to come as a surrogate peace treaty for World War II. Not one word of the Final Act justifies the claim that it constitutes recognition of Soviet hegemony in eastern Europe or of the post-war *de facto* borders.

Canada entered the negotiations with a specific set of concerns. We wanted to play a part in the conference commensurate with our interests in Europe. In this we succeeded. We wanted to see incorporated in the Final Act measures to assist the freer movement of people and ideas. This goal has been achieved. Worthy of special note in this regard is the strong text on the reunification of families, sponsored by Canada.

● (1510)

We sought the development of a confidence-building measure involving advance notification of military manoeuvres, and after difficult negotiations such a measure was worked out. Finally, Canada had important economic and environmental interests to safeguard and advance, and the appropriate texts in the Final Act meet our requirements in this respect.

The Final Act provides for a meeting at senior official level in Belgrade in 1977 to review progress in implementation and possibly to organize a resumed conference. It is the policy of the government to ensure that, for its part, the Final Act is implemented as soon and as completely as possible. Copies are being sent to all federal government departments and agencies concerned, to provincial governments and to non-governmental organizations whose co-operation is essential to the carrying out of Canada's responsibilities under the Final Act. Copies are now available to the public through the outlets of Information Canada.

Domestically, we are examining what changes should be made in our present practices to meet the moral commitments we have accepted. In our bilateral relations we are using the document to provide guidance in communiqués, agreements and treaties. Multilaterally, consideration is already being given to the matter of implementation in two United Nations bodies, the Economic Commission for Europe, and UNESCO.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, one would never accuse the Department of External Affairs of acting in haste. The document tabled in the House today, the Final Act signed in Helsinki on August 1, 1975, was published in the September issue of "International Legal Materials" and has been reposing since then in the Library of Parliament, where I first read it. This raises the interesting question of what other documentation the government has consigned to the library shelves rather than bringing it into the House for the inspection of parliament. One thinks immediately of the "New International Economic Order," a document that has occupied the attention of two special sessions of the United Nations General Assembly, which has yet to receive the official notice or attention of parliament.

In the case of the Final Act of Helsinki, the reason for the delay may be found in the distinct discomfiture evidenced in the minister's statement; for however much the minister may claim that the Final Act does not justify Soviet control over eastern Europe, this is precisely the effect. We are to go forward, the minister says, not dwell on the past. Are we to forget the millions of east Europeans trampled on in the Soviet Union's unprincipled expansion? Are we to forget the dead, the tortured, the prison camps, the ceaseless violations of human rights by a totalitarian regime that seeks to legitimize its actions through the floss of détente?

What in fact has happened—the Canadian people should be aware of this—is that the Final Act gives the Kremlin its long-sought symbolic hegemony over eastern Europe in trade for unenforceable, limp pledges for an increased east-west flow of information, ideas and people. Brezhnev himself claimed that Helsinki was "a necessary summing-up of the political outcome of the Second World War". In effect, the signatures of 35 nations have recognized the status quo in eastern and central Europe established by Russian arms in the interest of Russian power. Let us not hide the fact that Helsinki was a betrayal of the victims of oppression.

The question we must now ask is: Are we betraying ourselves in putting hope in this document which has no legally binding effect? The Helsinki principles oblige the signatories to support liberty of thought, conscience and faith, the exercise of civil and political rights, a freer flow of information, ideas and people, in addition to basic principles of relations between states: non-intervention, sovereign equality, self-determination, territorial integrity, inviolability of frontiers. All of this is the stuff of security and co-operation, but not one of these principles is being honoured today by the Soviet Union.

It takes heroic willpower to read the Final Act without giving in to cynicism. What could better demonstrate the bad faith of the Soviet Union than the refusal to allow Soviet physicist Andrei Sakharov to go to Oslo to receive his Nobel Peace Prize on December 10?

Some hon. Members: Hear, hear!

Mr. Roche: This refusal is an affront to world public opinion; and Sakharov is right when he says that this refusal confirms the continued Soviet violation of human rights which imperils the future of all mankind. Our party will begin to believe Helsinki when we see Sakharov in Oslo, when we see unrestricted movement of Soviet Jews, when we see the Polish people, the Czechoslovaks, the Ukrainians and other subjugated east Europeans living the life of their choice. Only then talk to us about reducing Canada's military commitments in Europe—not before.

Naturally, Mr. Speaker, our party is pleased to see the sections on the reunification of families that Canada insisted be in the Final Act. The Act states that "participating states will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family". Why, then, are four former Rumanian citizens, David Pompiliu of Toronto, Dimitrie Moldovan of Edmonton, Julian Hirtescu of Toronto, and Alexandre Sandu of Quebec City, ignored by the government as they stand outside the parliament buildings day by day in peaceful pleading that Canada help to reunite their families detained in Rumania? I have brought these four men into the House today as my guests—and we are asking for action from the government.

Helsinki could open the way to a really serious western commitment to economic and social justice for the developing nations of the Third World. That would be the greatest of all foundations for the global peace we desire. But in the meantime, let us not delude ourselves. The more we study Helsinki's Final Act, the more we understand the minister's reluctance to bring it into the House.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, the House knows that the purpose of the conference was to promote security in Europe through détente. The Final Act of the conference deals with some military matters, such as notification of manoeuvres, but recognizes the truth that security does not depend upon the piling up of armaments

but on the good will, the understanding and the co-operation of the peoples concerned. Indeed, the piling up of armaments to existing levels, not least by the two superpowers, is a perpetual source of insecurity.

This Final Act expresses many highly desirable aspirations in a variety of fields and throughout 132 pages. But the proof of the pudding will be in the eating. The real question will be the implementation of all these noble words. The Act speaks of sovereignty and equality of states, of the territorial integrity of states, the inviolability of frontiers, the peaceful settlement of disputes, and refraining from the threat or use of force. In his statement, the minister was at pains to say that there is nothing in the document that sanctifies the status quo in Europe. That may be technically correct, but in reality there can be little doubt that the document clearly rejects the use of force to alter presently existing boundaries. I do not complain of that. In what he said, I do not know whether the hon. member for Edmonton-Strathcona (Mr. Roche) was suggesting that we should not accept this treaty because we had some other alternative to changing the boundaries of eastern Europe. As far as we are concerned, we think that in the nuclear age talk of using force to alter the boundaries of eastern Europe makes no sense at all.

● (1520)

Mr. Fairweather: He didn't say that.

Mr. Brewin: The document goes on to make promises in respect of human rights and freedom. These high-sounding sentiments have been used frequently in this era in many parts of the world, not only in eastern Europe, but the abuse of human rights and fundamental freedom in many parts of the world remains a grim reality. There are provisions for co-operation in very many fields. If these proposals for co-operation in fact are taken up and implemented, perhaps we will have a different atmosphere.

As has been pointed out, there is provision for the reunification of families and of regular meetings on the basis of family ties. Once again, it is the implementation, not the announcement of these humanitarian measures, that is required. The good intentions of the European nations on both sides of the iron curtain are clearly and, indeed, eloquently expressed in the document. I think that is to the good, but it will take a lot of hard work and good will on both sides to remove the fears and suspicions that years of hostility have built up.

Canada should be glad to be associated in this important task, even if we may be skeptical about some of the phases through which this treaty is bound to go before it is fully implemented. We can be skeptical, but let us not reject the means made available, through the treaty, to the peoples of Europe, with the co-operation of North America, of building a sounder, more stable world.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in principle everybody favours peace and co-operation between nations, but we must come to see, through the show given by heads in Helsinki, the realities and consequences. In my opinion, a treaty such as this offers no real safeguard. Mere signatures at the bottom of a formal document are not enough to guarantee peace and security. Past experiences bearing this, the 1939 pact between Molotov and von Ribbentrop, as well as the treaty between Hitler and Chamberlain, are bitter mementos which warn us never to forget this reality. Western countries, led by the United States, have renounced their true roles to concentrate their efforts on the search for gains and profits, even to the point of providing all components for nuclear world war.

On one hand, peace is advocated in very many speeches, as Mr. Ford was doing in China yesterday and on the other hand we make and sell as many weapons as we can while believing that they will never be used! Meanwhile, the U.S.S.R. is acting along the same line in its own way: they are advocating détente, making believe it is peace, while continuing just as before to extend their hold country by country, continent by continent. Just see what is going on in Portugal at the very moment I am speaking. Nobody has spoken about the bursting in Portugal where the "Russian détente" is becoming apparent nor about the divisions in Cyprus, nor about the arms race, nor about the West Berlin status.

The Helsinki Act, signed by more than 35 countries—including the United States with Canada "in their pocket"—represents the official recognition of the U.S.S.R. right to absolute property over the lands conquered during World War II and over the countries which, thereafter, have been maintained by force within the soviet system.

It represents the doom of the East European countries without any hope of freedom for the future. It is an alarm for China, confronted by the increasing Soviet threat, as the Chinese authorities emphasized again yesterday in Peking. The Helsinki pact gives Russia absolute liberty to do what she wants and to extend her hegemony without anybody saying a word, for fear of being called an enemy of détente.

The Helsinki agreement is an acknowledgement of the weakening of western countries and America, through the multiplication of compromises and concessions. The Secretary of State for External Affairs (Mr. MacEachen) pointed out, at the beginning of his speech, that the countries had "not to look back to the past" to reach this agreement. If we look at what this agreement really brought to us, our countries must have really forgotten everything that has happened to reach it. I hope nonetheless that they will not awake too late or too suddenly. We also hope that the next meeting of ministers of external affairs, which is to be held, according to the minister, in 1977, will be a source of more optimism about the future of the whole world for all nations.

[*English*]

Mr. Crouse: Mr. Speaker, I have a brief question for the minister as a result of the statement he made today. On Friday, November 28, I mentioned that Rumanian citizens who now have landed immigrant status in Canada were parading in front of the parliament buildings seeking Canadian government assistance in bringing their families to Canada. The minister promised to follow up my request in order to obtain the reunification of these families in accordance with the agreement reached at the Helsinki conference. I ask the minister what steps have been taken by him and his officials with regard to this request, and what response, if any, has been received from the Rumanian embassy?

Mr. MacEachen: Mr. Speaker, as a matter of course we are constantly in touch with the embassies and officials of governments such as Rumania to accelerate the process of reunification of families from eastern Europe under the terms of the Helsinki agreement. I have not at the present time a specific report on each of these cases, but I will be in touch with my hon. friend later. While I am on the subject of family reunification, may I say that Canada regards the implementation of the final act, particularly in respect of family reunification, as a measure of the true attitude of participants in the conference. Because the deputy minister of the foreign office of Hungary is in the gallery, I should mention that we are pleased to note that all the active family reunification cases which were included on the list given to Hungarian officials earlier this year appear to have been successfully resolved.

Some hon. Members: Hear, hear!

Mr. Roche: Mr. Speaker, I should like to put a couple of questions to the minister. He has said, on one hand, that this is not a binding treaty and, therefore, there is no legal recognition of the boundaries that came into force following World War II—obtained, of course, by force. He has said, on the other hand, that there is a moral commitment in respect of family reunification. It seems to me the minister is trying to have it both ways in regard to this treaty. Either it has a legal and binding effect, or it does not. Either it offers real hope for family reunification, or it does not. I should like the minister to explain the effect of the treaty other than to give respectability to détente.

Mr. MacEachen: On the first point, Mr. Speaker, I think it has to be made clear that the results of the conference do not, notwithstanding what the hon. gentleman has stated, endorse the territorial status quo in Europe. That was not the result of the conference and we worked very hard to avoid that outcome. The text recognizes that while existing boundaries in Europe are inviolable, and indeed they continue to be, they can be changed in accordance with international law by peaceful means or agreement. I believe the more we repeat the erroneous statement that the status quo was sanctified by this conference, the easier we will make it for certain people to draw that conclusion—a conclusion that is not supported and is contrary to the words of the text. My hon. friend ought to be conscious of that possibility which would be very damaging to the cause that he is ostensibly supporting.

● (1530)

The document is not a legal document. It is a statement of principle. It is not a treaty. It does not have legal effect. All the countries have come together in accepting these principles, one of which is the principle of the acceleration of family reunification. Of course, we intend to insist—as this House is insisting today—that all signatories live up to and implement these principles. When we come to the monitoring conference in Belgrade in 1977 we will know to what extent the signatories have lived up to the principles to which they put their signature at Helsinki. That is the significance of the document: it is a standard against which the performance of the signatories can be measured. That is a very important result.

Mr. Roche: Mr. Speaker, it is precisely because the Helsinki Final Act is a statement of principle that we wish to have clarified the whole question of the family reunification clause. I ask the minister now, how can we expect people to believe in the Helsinki Final Act if we do not see very quick action on the reunification of families?

In addition to the question of Hungary that he has volunteered, we are bringing to this country representatives of Rumania, people who have left that country and have had two or three years without their families and whose case has been brought to the attention of the Canadian government. The Canadian government granted entrance visas for their families, but it is the exit visas from Rumania which are not being issued and which the Canadian government has not yet protested.

I ask the minister now if he will assure the House this afternoon, in the presence of the four Rumanians I have mentioned that a personal protest will be carried by the Department of External Affairs to the government of Rumania on their behalf.

Mr. Speaker: With the greatest respect, the question bears great similarity to that put by the hon. members colleague, the member for South Shore (Mr. Crouse), which was answered by the minister in a manner which would indicate that he does not have the details of those cases in front of him, but that he will deal with them later. Therefore, I do not think I can permit the second question.

Mr. Paproski: Mr. Speaker, my question is for the minister. I have to agree with my colleagues here, but there is one specific question. In order to maintain a more speedy flow of visas for the reunification of families between Russia and Canada according to the Helsinki accords, will the minister ask his department to set up consular offices in Leningrad and Kiev and ask the Russians to do the same? There are those other than Muscovites who want to be reunited with their families; for example, there are many Ukrainian families in Kiev and Leningrad.

Mr. MacEachen: The purpose of the text on family reunification was to alter and to improve the existing practice. It is my view that it is too early to condemn the Helsinki document on non-performance at this stage. Maybe we must do that later on, but I believe we must now insist that all signatories live up to the principle which states that participating states will deal in a positive and humanitarian way with the applications of persons who wish to be reunited with members of their family. That is the principle, and we will insist on its implementation in the course of our discussions with representatives of other countries. In my discussion with Mr. Gromyko just recently, this was one of the points I made with him.

With regard to opening up new posts in parts of the Soviet Union for purposes which are entirely commendable, I am afraid I cannot hold out any hope that in this period of restraint it will be possible for my department to increase its posts in any country.

Mr. Paproski: Mr. Speaker, all it would require would be one individual in each of these cities in order to expedite the visas. According to the Helsinki principles, would the minister advise the Russian government to stop charging excess duty—this is part and parcel of the Helsinki accord

and the Helsinki principles—on parcels which are sent from Canada to families in the Soviet Union, including items such as foodstuffs and clothing. I think this is wrong according to the Helsinki principles.

Mr. MacEachen: Mr. Speaker, this particular question is a new one for me. I must say there are other principles in the document, but one, of course, is the principle of sovereignty. All these principles have to operate together. While each country has undertaken to live up to these principles, they all have to be taken in their total context. However, I should like to examine the details of the question.

Mr. Speaker: Order, please. I would propose, in the circumstances, to conclude the questioning by recognizing the hon. member for Parkdale (Mr. Haidasz), the hon. member for Richmond (Mr. Beaudoin), and the hon. member for High Park-Humber Valley (Mr. Jelinek).

Mr. Haidasz: Mr. Speaker, I should like to reiterate, again, my thanks for the efforts of the Secretary of State for External Affairs (Mr. MacEachen), especially in the field of family reunification. However, on the question of peace I should like to ask the Secretary of State for External Affairs if he is prepared this afternoon to inform the House whether any progress has been made at the conference in Geneva, at which Canada is a participant, relating to the Mutual and Balanced Force Reductions in central and eastern Europe.

Mr. MacEachen: Regretfully, Mr. Speaker, I must inform the House and my hon. friend that no progress has been made up to the present time in the discussions on the MBFR. I have made clear, I believe all hon. members will agree, that if the process of détente is to be meaningful it must be accompanied by progress in respect of the reduction of arms in Europe. That has not yet taken place. At the NATO meeting which I will be attending next week that subject will be a matter for discussion by the members of the alliance.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, the minister seems to have great confidence in the document he tabled this afternoon, which is, after a fashion, a statement of principle.

How can he explain, for instance, with regard to the free exchange of information between the countries mentioned in the document, that at the time of the conference Mr. Brezhnev indicated that exchanges would be free provided there was an agreement on their extent, which really means, to all practical purposes, that the Russians reserve the right to do what they have always done in that regard?

[*English*]

Mr. MacEachen: Mr. Speaker, I find no ready answer to the statement which the hon. member has made, except to repeat that now the principles have been accepted, we have to continue to insist that they be implemented and, at the time we are all together at a meeting in Belgrade, tell each other what we think of the performance or lack of performance. That will likely be the test of the words and principles which have been adopted.

[*Translation*]

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

[Mr. Paproski.]

The minister tells us we must wait for the meeting to be held at Belgrade to see whether there will be good results, if any at all? Can he tell us frankly what Canada won after that statement of principle? Did we win anything, are we now better off than before the statement?

[*English*]

Mr. MacEachen: Yes, Mr. Speaker, I think we are better off. I think we have made a positive gain in securing a very strong statement of principle on the question of family reunification and on the movement of peoples and ideas—a statement of principle which can be used in our bilateral and multilateral negotiations which are beginning now. That is an important gain.

● (1540)

Mr. Jelinek: Mr. Speaker, I will ask one brief question of the minister, keeping in mind that I support wholeheartedly the other matters which my colleagues have raised in this regard, and also keeping in mind the minister's general good faith. I should like to ask the minister whether he or his officials would be willing, for humanitarian reasons, to meet with the representatives of the Committee of the Rumanian Societies of the League of Canada who are very anxious to discuss in detail some problems relating to the reunification of their families and other families in Rumania and elsewhere.

Mr. MacEachen: Yes, Mr. Speaker, I am ready to meet with such representatives. Certainly my officials would be prepared to meet to discuss details. We have placed a high priority on these cases: we raise them at every opportunity and we follow them up. A meeting of the kind suggested would be possible and desirable from my point of view.

Mr. MacKay: Mr. Speaker, on a point of order may I just take a brief moment to make a correction to yesterday's *Hansard* which conveys the wrong impression. On page 9588, while the right hon. member for Prince Albert (Mr. Diefenbaker), in his inimitable fashion, was holding forth on government expenditures, which he referred to as the frolics at Mirabel, an hon. member—I do not know who it was, but perhaps it was an hon. member opposite—said, "He attended the frolic", meaning that I did. I want to point out that although perhaps I would like to have gone, I was not able to go. I understand that it was a very entertaining affair, but I did not go and I wanted that fact to be on the record.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,278, 3,284, 3,320, 3,343 and 3,346. I ask the that other questions be allowed to stand.

[*Text*]

SALARY INCREASES FOR TREASURY BOARD EMPLOYEES WITHIN LAST MONTH

Question No. 3,278—**Mr. Coates:**

1. How many employees of the Treasury Board have received salary increases within the last month?

2. In each category, what was the salary range of the employee (a) before the increase (b) after the increase and, in each case, what was the percentage of the increase?

Hon. Jean Chrétien (President of Treasury Board): 1. Ninety-four.

2. Administrative and foreign service:

			Increase Per cent
(a)	$ 7,778	$14,453	9.174
(b)	8,478	15,754	
(a)	14,860	17,459	9.174
(b)	16,197	19,030	
(a)	17,985	21,303	9.174
(b)	19,604	23,220	
(a)	21,544	24,407	9.174
(b)	23,483	26,604	
Technical			
(a)	6,938	8,632	9.05
(b)	7,666	9,538	
Executive			
(a)	$38,000	$43,000	$48,000
	33,000	37,500	42,000
	29,000	33,000	37,000
	25,500	29,000	32,500

		Increase Per cent		Increase Per cent		Increase Per cent
(b)	$41,000	7.9	$47,500	10.5	$54,000	12.5
	35,500	7.6	41,500	10.6	47,500	13.0
	31,500	8.6	36,500	10.6	41,500	12.2
	27,500	7.8	32,000	10.3	36,500	12.3

REVISED STATUTES OF CANADA (1970)

Question No. 3,284—**Mr. Lachance:**

1. Does the government intend to give one of its agencies the responsibility of updating from time-to-time the index of the discretionary powers mentioned in the Revised Statutes of Canada (1970) recently published by the Law Reform Commission of Canada and, if so, which agency will be responsible for the (a) annual compiling (b) publication and distribution?

2. Does the government intend to complement the index with an index of discretionary powers included in the statutes of the ten provincial administrations?

Hon. Ron. Basford (Minister of Justice): 1. the Department of Justice is examining the possibility of updating and distributing the index of the discretionary powers published by the Law Reform Commission. However, at the present time no decision in this respect has been taken.

2. No.

CBC ACCELERATED COVERAGE CHARGE

Question No. 3,320—**Mr. Marshall:**

1. With reference to the five year accelerated coverage plan announced by CBC in 1974, what are the communities, with a population of approximately 500 in the Province of Newfoundland which will receive extended service?

2. Of the technical studies started on some 200 projects (a) what projects have been started in the Province of Newfoundland (b) what are the 75 projects completed and how many are in Newfoundland?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The CBC Accelerated Coverage Plan is a large, complex and highly integrated five-year undertaking involving 300 locations and 600 engineering projects. Names of the locations and the nature of the service to be provided are made public step by step, as applications for licences are made to the Canadian Radio-Television Commission.

2. The technical studies which have been started on some 200 ACP projects involve the indentification of the area or community requiring service or improvement of an existing service and the setting of broad parameters for the project. (a) In Newfoundland, studies are at various stages of development for 20 projects. (b) As of November 14, 1975, applications had been completed and submitted for 105 ACP projects across Canada, of which nine are in Newfoundland. The nine projects are: New stations—Clarenville, English TV; New stations—Elliston, English TV; New stations—Little Hearts Ease, English TV; New stations—North West Brook, English TV; New stations—St. Jones Within, English TV; New stations—Wesleyville, English TV; Service Improvement—Labrador City/Wabush, English and French Radio; Gander, English Radio.

PUBLIC SERVICE—BILINGUAL BONUS

Question No. 3,343—**Mr. Coates:**

How many public servants presently qualify for the bilingual bonus in the Public Service?

Hon. Jean Chrétien (President of Treasury Board): In reply to your question concerning the number of Public Service employees who presently qualify for the bilingual bonus, the answer is 4,464.

PUBLIC SERVICE—PERSONNEL IN RECEIPT OF SALARIES OF $30,000 A YEAR OR MORE

Question No. 3,346—**Mr. Coates:**

1. How many employees of the Public Service are presently in receipt of a salary of $30,000 per year or more?

2. How many were in receipt of a salary of $30,000 per year or more in (a) 1960 (b) 1965 (c) 1970?

Hon. Jean Chrétien (President of the Treasury Board): 1. As of June 1975, 3,549 public servants were in receipt of a salary of $30,000 per year or more.

2. (a) In 1960, none. (b) In 1965, none. (c) In 1970, eight public servants were in receipt of a salary of $30,000 per year or more.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Monday, December 1, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the third time and do pass.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when I began my remarks yesterday in connection with this bill I indicated, as I have on other occasions, that members of this party in parliament have said from the beginning that a program of wage and price controls, as it has been recently called, would inevitably be doomed to failure because we are faced with an international problem which cannot be dealt with by one country alone.

I indicated, also, that it was obvious to us from everything that has happened since the Prime Minister (Mr. Trudeau) gave notice of the introduction of this policy on Thanksgiving day, from the statements made by the Prime Minister and the Minister of Finance (Mr. Macdonald) publicly, from the statements made by the chairman of the Anti-Inflation Board, and from the discussions which have been held between representatives of the provinces and the federal government, that even if we had believed, as the Premier of Manitoba believed, that an incomes policy that was fair and equitable to all people of Canada was necessary and workable to dampen the ill effects of inflation, in fact we are not going to get that.

After I have discussed some of the statements, and the failure to make statements, by the chairman of the Anti-Inflation Board, I want to put on the record some of the detailed questions put to the Minister of Finance and to the chairman of the Anti-Inflation Board a week ago, at a meeting of the ministers of finance, by the Premier of Manitoba—questions which, I am told by senior members of the Manitoba delegation, were not answered at all by the Minister of Finance or by the chairman of the Anti-Inflation Board. Such was the situation that the Premier of Manitoba, who was a proponent of an incomes policy when the Prime Minister was still opposing wage and price controls, indicated pretty clearly that he has no expectation that the program proposed by the federal government has any hope of success. I will come back to that point shortly, but first I want to deal with the actions and inactions of the so called Anti-Inflation Board.

In the guidelines issued by the Minister of Finance on October 14, 1975, entitled "Attack on Inflation", on page 23—where compensation and exceptions to the 10 per cent limit in the increase which will be permitted in wages and salaries are dealt with—the minister said:

There may also be other grounds for exceptions, such as increases necessary to maintain long-established historical relationships between wages in closely related groups and other special cases of equity.

Today, the postal workers represented by the Canadian Union of Postal Workers have agreed to go back to work after a seven weeks' strike. They have agreed to go back on the basis of an offer by the federal government which is substantially more than the 10 per cent which is supposedly the limit which any group of workers earning wages or salaries can get. Why will they be permitted to get an increase of more than 10 per cent? According to the Postmaster General (Mr. Mackasey), who certainly is no friend of the postal workers or of their union, they will get an increase of more than 10 per cent because there has been a historical relationship; there has been parity for years between the inside postal workers represented by CUPW and the outside workers represented by the Letter Carriers Union.

Let us look at what is happening to the teachers in Toronto. I have already indicated what the minister supposedly thought and meant when he issued his guidelines. The chairman of the Anti-Inflation Board said on November 8 that it was not the intention of the board to replace the collective bargaining process. He said it was expected that the parties would negotiate in good faith with a view to concluding agreements under the guidelines. Then he indicated that after agreement had been reached, if the agreement was for more than the 10 per cent indicated as a limit under the guidelines, the employer and the union could come to the Anti-Inflation Board and argue that they should be permitted to get more than 10 per cent. But the Anti-Inflation Board, supposedly, was not going to interfere in the regular process of free, collective bargaining.

Now what do we find? We find that under the provisions of the legislation enacted by the Ontario government, a fact-finder was appointed to look into the dispute between the Toronto secondary school teachers and their employer, the board of education. That fact-finder made a series of recommendations substantially higher than the guidelines would permit. Those recommendations were accepted by the Toronto teachers' organization. The board of education rejected them. It was willing to settle for the same amount as it had already settled for with the elementary school teachers, a settlement reached before the Prime Minister announced his policy, agreed to by both sides and implemented. The board of education wanted to settle with the secondary school teachers for the same amount and the same conditions they had reached with the elementary school teachers. That has been the pattern in the city of Toronto for 21 years.

● (1550)

However, we have an anti-inflation policy. We have supposed guidelines, so the Toronto board of education did what the Anti-Inflation Board had said it would not permit. It appealed to the Anti-Inflation Board, unilaterally, to look at the problem and to issue a directive. What do we find? Just a few weeks after the chairman said that the board would not disturb the traditional ways of collective bargaining and would not deal with one side of an argument, the Anti-Inflation Board issues a directive. I quote

from the *Globe and Mail* of Saturday, November 29, as follows:

"The latest offer of the metro Toronto school board to its secondary teachers is in excess of the amount which the Anti-Inflation Board would consider appropriate", Jean-Luc Pepin, chairman of the federal agency, told reporters. Teachers and school trustees should "return to the bargaining table in an effort to reach an agreement that more properly reflects the anti-inflation policy of restraint"—

How many times will they have to return to the bargaining table? If the offer is reduced by 5 per cent, will that be acceptable to the chairman?

Mr. Rodriguez: We don't know.

Mr. Orlikow: The chairman is now God; he does not have to account to anyone but himself. The school board made its offer to keep secondary school salaries in line with the increase accepted by elementary school teachers before the guidelines were brought in, but obviously the historical and traditional patterns are going to be ignored. So we have a situation where elementary school teachers are to be paid more than secondary school teachers. Metro public school teachers received a raise of 39.2 per cent, the same percentage offered to the high school teachers, but the metro school board seems now to be barred by the federal guidelines.

The minister refuses to do anything about it, although the Ontario Secondary School Teachers Federation has supplied to the Anti-Inflation Board and to the minister a list of 12 regions which are already paying higher salaries than the Toronto board of education has offered: these are Windsor, Ottawa, Carleton, Halton, Nipissing, York region, Simcoe, Manitoulin, Huron, North Shore, Grey and Thunder Bay. Is it any wonder that the Toronto schools teachers said the Minister of Finance had lied to them? I am not surprised. What we have is a board which has violated and ignored the guidelines laid down by the minister, and it is being aided and abetted by the minister in ignoring them.

I said that I would put on the record some of the questions the province of Manitoba asked the minister and the chairman of the Anti-Inflation Board last week. I wish to begin with one set of questions which are very pertinent. Today's *Globe and Mail* has a story which is headed—I will go into some detail on this—"Bank balances of revenue show impressive increases." The chairman of the Anti-Inflation Board, who was so quick to ignore the salary guidelines and so quick to reject what he said two weeks ago namely, that he would not intervene on one side or the other and would only make a ruling after both sides in a dispute had come to an agreement, has been conspicuous by his silence.

Some hon. Members: Hear, hear!

Mr. Orlikow: It is not as if he did not know about this until today. Here are some of the questions asked a week ago of the Minister of Finance and the chairman of the Anti-Inflation Board by the Premier of Manitoba who, as I indicated earlier, was and is a strong proponent of a real incomes policy:

Bank profits have continued to increase rapidly this year—the *Financial Times* is predicting industry-wide gains of 30 per cent for the current year—with further increases in sight. Yet the federal government seems to suggest that banks should continue operating exactly as they are. Two questions:

(a) Has the federal government given any thought to requiring banks to reduce the margin between the interest rates they charge on loans and the interest rates they pay on deposits?

(b) Has the federal government given any consideration to requiring banks and other financial institutions to set aside more substantial funds for housing and other socially desirable activity?

The Minister of Finance is here and he can correct me if I am misrepresenting what happened, but I am told by senior members of the Manitoba delegation that they asked questions and received no answers from the minister, and just the usual, silly grin which we have seen almost every day on television from the chairman of the Anti-Inflation Board.

Some hon. Members: Shame.

Mr. Orlikow: I will be surprised if within six months of ending his tenure as chairman of the Anti-Inflation Board, the "honourable"—I put that in quotation marks—Jean-Luc Pepin is not a director of one of the largest banks in Canada.

Why was the government of Manitoba so concerned? Let us look at the figures released today by the banks themselves and reported in the *Globe and Mail*. Let us look at the operating profit, after tax, for the year 1975 over the year 1974. For the Royal Bank of Canada, 126.6 per cent; for the Canadian Imperial Bank of Commerce, 58.4 per cent; for the Bank of Montreal, 148.6 per cent; for the Bank of Nova Scotia, 80.5 per cent; for the Toronto-Dominion Bank, 58.6 per cent; for the Provincial Bank, 71 per cent; for the Mercantile Bank, 149.3 per cent.

It is not my job as a Member of Parliament to defend or to criticize, for example, the postal workers, but the Postmaster General and the Government of Canada forced them into a seven-week strike because they asked for more than 29 per cent over 30 months. Yet here are the banks making a 40 per cent to 150 per cent higher profit, and not a word from the Minister of Finance.

Does this minister expect that when it is so obvious there is to be no equity in this program, workers will accept it quietly? Does he expect that there will be peace in this country? Does he expect that what has happened to productivity—that is, a lowering of productivity, which all the economists and business leaders have been bemoaning—will not continue and will not accelerate? Does he expect that workers will really work when they feel, and correctly so, that they are being hard done by and discriminated against? There is no question in my mind that some postal workers will not feel like working very hard. Teachers in Toronto have already announced that they will work to rule. That means there will be virtually no athletic programs, virtually no dramatic programs, and that exam papers will not be marked on weekends; and if people have to wait for the reports, that will just be too bad.

● (1600)

The railway unions are about to negotiate. If the companies, on the suggestion or the direction of the government, insist on a 10 per cent limit on wage increases, despite the sound principles laid down by Mr. Justice Hall two or three years ago on how demands for wage increases should be dealt with, there is no doubt that a large number of railway workers will decide to work to rule if they cannot

have what they think they are entitled to. The resultant slowdown in the day to day operations of the railways will be brought about by the thinking of the minister and the government.

Let us look at some important questions asked by the government of Manitoba which the minister has refused to answer. Of course, he cannot answer them because he never intended to do anything about incomes, except on wages and salaries. He never intended to do anything about prices, he never intended to do anything about dividends, and he never intended to do anything about self-employed people. Here are some of the questions put to the federal government by the government of Manitoba in the paper entitled "Manitoba questions on the federal government's 'Attack on Inflation' Program." I know some of the answers, so I will put them on the record in view of the minister's hesitancy to do so. The Premier of Manitoba asked:

In light of the difficulty of limiting income increases—particularly for professionals—is the federal government prepared

(1) to make available information obtained through the income tax system to the Anti-Inflation Board?

There was no answer to that question. He continued:

(2) to institute a special surtax through the income tax system to ensure that abuse of the guidelines by these higher income groups is kept to a minimum?

The answer to that was "No." Let me stray for a moment to read another question and to give the answer of the minister. The province of Manitoba said to the minister:

We know that a surtax put on professionals by one province is very difficult to collect. If we put a surtax on the incomes of doctors and the provinces of Alberta and Ontario do not, doctors may move from Saskatchewan to one of those provinces. We are prepared to think about that, but if we want to impose a surtax on doctors operating in the province of Saskatchewan, will you collect that surtax? We do not collect the income tax, as we have made an agreement under which you collect income taxes payable in Saskatchewan.

What was the answer of the Minister of Finance? It was "No," Mr. Speaker. We have said from the beginning that this minister has not the slightest intention of implementing an income tax policy which is fair and equitable; that this minister is bent to all the special interest groups and is prepared to let self-employed, professional people collect all they can. Let me read some of the other questions referring to professional fees. Here is one:

Are the increases in income allowed to professionals under the guidelines based on net professional income only or are professionals permitted to reduce their income for purposes of the guidelines by taking advantage of tax loopholes such as excessive capital cost allowances, interest costs, etc., on investments?

No answer from the minister. Here is another question:

Is the federal government prepared to recommend any action to curb income increases generated by current fee schedules? Examples include architects who often charge a percentage of the finished project, real estate agents and lawyers who often charge a percentage of the value on the consideration passing.

Let us take a hypothetical case. Suppose the architect in charge of that tremendous fiasco, the Olympic Games site, was a Canadian instead of a Frenchman from France. It has been reported that he is to receive a fee in the neighbourhood of $16 million. The minister would have no intention of charging surtax on that exorbitant fee. The next question was:

[Mr. Orlikow.]

In light of the practical problems of having the Anti-Inflation Board deal with professional income increases is the federal government prepared to have this section of the guidelines administered by national revenue?

No answer—which of course means "No". The next question:

Will the federal government be prepared to respond to complaints re professionals who have allegedly violated the guidelines?

Mr. Speaker, from the questions we asked the minister in committee it is obvious the government will not be doing anything about most professions, like doctors, until some time in 1977 when they file their returns for their 1976 incomes. The next question was:

Will the guidelines apply the same maximum increases of $2,400 to professionals as applies to the normal wage earner?

Of course not, Mr. Speaker. The minister did not say so. If all the minister wants to do is put the guidelines on the fee schedule, obviously any relationship between the fee schedule and the actual income of the doctor, lawyer or architect is purely coincidental. For professionals the program is a farce.

Now let us look at pricing in the private sector. The province of Manitoba asked some cogent questions but received no answers from the government or from the chairman of the Anti-Inflation Board. The Manitoba government spoke about the cost flowthrough rule in calculating price increases and asked:

Does this mean that the Anti-Inflation Board and the administrator can order a rollback in prices only if they can prove that the guidelines have been breached and that the breach was intentional—not due to the favourable cost developments or unusual productivity increases referred to above?

Another question on timing:

On timing, will the board be in a position to examine proposed price increases before they occur? To forestall increases which do not appear to be justifiable? Alternatively, will the only "effective enforcement" result from the examination of the firm's records two or three or four years after the fact as is the case under income taxation?

Of course, Mr. Speaker, that is precisely what is going to happen because the government has not required approval of price increases before they are imposed. Some members have been sending to the Anti-Inflation Board the examples of price increases they have received in the hundreds, and to date have not received a single reply. At the rate they are going, I suggest that will take three or four years. The government of Manitoba asked:

Is there any provision in the guidelines to prevent firms currently reaping excess profits from passing on the full brunt of any cost increases in higher prices?

Mr. Speaker, it is a very good question. The banks have just had these tremendous profits, and next year, if their costs go up, they can increase their service costs again. Let me go back to the report of the *Globe and Mail* in today's issue. They indicate some of the reasons the banks' profits are so high. Let me read a couple of paragraphs from the article as follows:

Other factors that helped bank profits during the year were increases in bank service charges, most of them made in the spring, and the slowing of the rapid growth in salaries and benefits costs over the year.

Later, it continues:

> Another factor that helped bank profits in the latter part of the year was the ending of the 10 per cent surcharge on profits, which had lasted from May 1, 1974, to April 30, 1975.

● (1610)

There is no reason why the banks will not be able to again increase their service charges. Again, the minister has given no indication that he will do anything about it. As I have only a few more minutes, I will just place one more quotation on the record:

> Revenue Canada has estimated that Canada is losing about $1.6 billion per year under what is called transfer pricing. Under transfer pricing, multinational firms operating in Canada purchase commodities from foreign sister corporations at a price in excess of the "market place price". The reverse also occurs—the Canadian corporation sells to its foreign sister at a price less than the "marketplace price". In both cases, the result is that the profits are diverted from Canada to a sister corporation operating elsewhere. As mentioned earlier this practice costs the Canadian treasury about $1.6 billion per year. How will the Anti-Inflation Board with its staff of 200 deal with this problem which National Revenue and its staff of thousands have not been able to resolve?

In case members opposite think that that last quotation and the statement contained in it is an exaggeration by an irresponsible socialist NDP government, let me put on the record some comments by Mr. James Gourley, the director-general of audit for Revenue Canada, in a recent speech reported in the October 31, 1975, *Globe and Mail:*

> Canada is losing hundreds of millions of dollars a year to people and companies that avoid taxes, and a lot of it is being lost to multinational corporations using their international status to shuffle their profits out of the taxman's reach . . . some of the multinationals use their intricate corporate structures to minimize the taxes they pay . . .
>
> He said he had no idea how much revenue Canada is losing through tax avoidance by multinational corporations. He guessed that missing revenue from all sources—including multinationals—might be 10 per cent of total revenue.
>
> Estimated revenue for the current fiscal year is $27.75 billion.

Mr. Gourley has estimated the loss at more than twice the figure given by the government of Manitoba. The former minister of national revenue, now Minister of Justice (Mr. Basford), said at the same meeting:

> It is difficult for Canadian tax officials to decide whether the costs being charged by subsidiary companies in Canada are fair or are being inflated to boost costs and lower taxes.
>
> A subsidiary in Canada may be supplied with products or services by its parent in another country. The subsidiary would write off those costs against its profits.

One need only look at the large multinational farm implement companies which are busier and making more money than ever before. If they are forced to observe the so-called guidelines, they will find, as Mr. Gourley and the minister said in their speeches, that it is very easy to adjust the financial transactions between the Canadian and American corporations so that the profits in Canada will not breach the guidelines.

What we are dealing with today, and will be voting on in the next few days, is a bill which interfere very drastically with the right of ordinary citizens to continue to bargain freely and collectively with their employers on their own behalf.

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member, but the time allotted to him has expired.

Mr. Orlikow: Could I have just one more minute, Mr. Speaker?

Mr. Deputy Speaker: The hon. member may only continue with unanimous consent. Is there unanimous consent for the hon. member to continue his remarks?

Some hon. Members: Agreed.

Mr. Orlikow: What is being proposed by this government are wage controls but not price controls. There will be no controls or restrictions on incomes earned through dividends, profits or any other form of income except wages and salaries. Therefore, we cannot, and will not, support such a proposal.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, during the debate on second reading of Bill C-73, I already called attention to the discredit drawn by the right hon. Prime Minister (Mr. Trudeau) when, on October 13 last, he announced price and income controls, the very idea of which he condemned during the 1974 election. And this he did without a word of excuse for his remarks at that time. The Prime Minister spoke as the man capable of curing Canada of that terrible illness—inflation—that ruins the economy and reduces millions of Canadians to utmost abject poverty.

Mr. Speaker, I do not know of any public figure in all Canada's history discrediting himself to such a degree, without a blink, without even accepting his government's responsibility in the increasing rate of the inflationary spiral. The Prime Minister preached austerity, but taking good care to force upon others what he will not do when his own administration is involved, that is cutting right now non-essential government spending. In so doing, he could expect nothing but hostile reactions from the people he himself had warned against controls. Better still then the Leader of Opposition (Mr. Stanfield), better than anyone else in the country, the head of the government knew that a control policy was required, because he had better means and more precise instruments for economic surveying. History will never forgive him for deceiving Canadians.

[*English*]

The fundamental issue that this House must address itself to on third reading is an issue that runs to the very heart of our democratic system. The principle of this bill and its purpose are in line with broad public opinion at this time. Indeed, while the government is by no means providing leadership, they can at least be said to be following the leadership provided by public opinion. Just for the purpose of setting the record straight, we should note that when it came to providing leadership on the issue of price and income restraint, it was the members of this party who were prepared to level with the country a year ago.

Some hon. Members: Hear, hear!

Mr. Wagner: What the Prime Minister (Mr. Trudeau) is asking for now is a blank cheque. The duration allotted for

the powers in the bill is, by far, an example of over playing government, and the refusal of the government to make long-term commitments relative to the control of its own spending is an example of weakening the government's hand. What the government has said and what the Minister of Finance (Mr. Macdonald) has said, through refusal to allow a meaningful parliamentary review of the program within a reasonable period of time, is that they do not believe the program will stand the test of time; they do not believe it will gain sufficient support in an 18-month period. It is not surprising that such lack of confidence is contributing to hesitancy on the part of certain provinces when it comes to participating as fully as the government would like. It is, therefore, with regret and with sorrow that we shall have to vote against this bill. We do so because, clearly, it is the only option left open to this party if we are to keep faith with the principle we advanced to the nation on this issue.

● (1620)

There is a significant demand in the country today for sound economic leadership. It has to be leadership that is based on trust, moulded through consistency and founded upon compassion. It must be leadership which is exercised in close relation to the anxieties and economic aspirations of the people. It can be firm, but when necessary it can be flexible, too. In that respect the bill now before us, the government which drafted it, and the program which has been presented to us are a sad failure.

[*Translation*]

I have no intention, Mr. Speaker, to revive the 1974 election campaign, and God knows I have excellent recollections of it. But I cannot help pointing out that if the Prime Minister had had any decency, he would either have asked for a new mandate from the Canadian people he deliberately deceived a year ago, or he would have urged the Governor General to designate another head of government. As far as fighting inflation is concerned, the Prime Minister has fallen into total discredit, and he knows it. I will not endorse here extravagant reactions by labour leaders, nor justify them for speaking of general protest strikes.

I hope before it is too late those labour leaders will come to their senses and ask their membership to abide by the law. Surely, Mr. Speaker, that does not prevent me from sympathizing with the humble workers ruined by inflation who for purely electoral reasons were made to believe and even promised that there would be no control. If Canadian voters cannot trust the word of the Prime Minister of the country, and they can no longer do that since October 13, to whom will they turn? I wonder, Mr. Speaker.

Only one party leader in this Parliament can talk of price and income control with increased and undeniable moral authority, and that is the Leader of the Opposition (Mr. Stanfield) who was not afraid to tell the truth to Canadians. History will do him justice for not sacrificing his convictions to power and not taking advantage of the credulity of the people of this country for purely electoral reasons. The respect the Leader of the Opposition now commands shows that Canadians recognize in him the true leader of this country. The other leader—the one who exercises power or looks as if he exercises it—is nothing but a poor puppet lost in his own contradictions. A discredited Prime Minister, a discredited government, a discredited program, that is what the country is down to at the time when Bill C-73 is about to be passed by the Parliament of Canada. But, as the Leader of the Opposition stated, the Conservative Progressive party does not want to become an accomplice to a sham legislation aimed at imposing genuine economic dictatorship over all sectors of activity for three years and putting in the hands of bureacrats without any popular mandate the administration of a legislation whose faults are so obvious.

[*English*]

The government is as rigid and unbending as ever. It is a government which has performed a total about-turn on the issue of controls. They scoffed at our temporary freeze proposal, yet now they bring in a three-year program which makes our temporary freeze look restrictive indeed. I do not know that it is fair to say the government is totally inconsistent. While it may be inconsistent in its economic policy, it remains consistent in its authoritarianism, rigidity and insensitivity. It is these very qualities which have weakened the economy of our nation, attacked the private sector and contributed to the alienation of organized and unorganized labour.

Only this government could take a program calling for short-term controls and turn it into a long-term emasculation of the free market and the collective bargaining process. Only this government could combine insensitivity to a problem, on one hand, with alienation and extremism on the other. Only this government could turn the private sector, labour and other jurisdictions against it so quickly and so conclusively. While some seek to build a national anti-inflation front, the government appears to be fragmenting what front there is, day by day.

I once observed, in a speech in this House, that the former minister of finance had done for economic stability what Jack the Ripper did for door-to-door canvassing. I say today that this new program may do for controls what Eddie Shack did for the gentlemanly game of hockey. There is no need to radicalize our nation's economy into warring and distrustful segments. There is no need to create new fears and new suspicions for the working man and woman. What must be done is very simple: an example of restraint, self-denial, compassion and decisiveness must serve as the values around which an embattered economy can rally. To date, this government has not given Canadians anything around which they can rally, or anything in which they can believe.

Part of tackling inflation is changing people's beliefs about how bad inflation is and how bad it will become in the future. The three-year limit on this program is a very sad commentary of the incapacity of this government to hold out real, immediate hope for the people of this country. What the three-year limit means is that a substantial element of this program might only be changed through a change in the government of Canada. That, Mr. Speaker, is a corner that this government should not paint itself into. If it insists on wielding the brush, then those who are opposed to economic injustice might well be prepared to open a can or two in 1978 to help finish the job. Today in this House, at this stage of the bill, the choice is the

government's, and they are laughing about it. In three years' time, the choice will be the people's.

● (1630)

[*Translation*]

Mr. Speaker, the first mistake of this government was to refuse, probably because of its self-sufficiency, to impose the price and wage freeze for a 60-to-80-day period. It is something that every economist recommended. The chairman of the Anti-Inflation Board, a man highly respected in Liberal circles, this chairman, the Hon. Jean-Luc Pepin himself, said a few days ago before the Standing Committee on Finances, Trade and Economic Affairs that a temporary price freeze would have allowed him to see better where he was going and to organize the board with no concern other than making it as efficient as possible and without having to decide readily on more than 140 cases submitted to him without knowing formally under which regulations the board will have to function. Mr. Pepin, could not grant this government a better certificate of incompetence.

Canadians are paying a high price for the self-sufficiency of their Prime Minister a Prime Minister who neither accepts the advice of anyone nor admits that he could be wrong.

Since this bill was passed on second reading, the opposition tried without success to convince the Prime Minister and the Minister of Finance to limit the implementation of Bill C-73 to 18 months. This request was not aimed at harrassing this government because the Progressive Conservative Party was the first to recommend controls as a measure against inflation. It was made, as so well put by the hon. member for Joliette, in a spirit of wisdom and equity for the Canadian consumers, so that after that period their representatives might undertake a total review of conditions to determine to what extent inflation control was a failure.

In spite of what the Minister of Finance (Mr. Macdonald) said, the opposition did not ask that inflation be checked within 18 months. With this government, we all know that it would be impossible. We are ready, and the Leader of the Opposition (Mr. Stanfield) confirmed it to extend the government mandate for another 18-month period, if necessary, but we do not wish to give the government full power, when it even denies us the smallest indication on the nature of the regulations governing the Anti-Inflation Board. Why should we be less demanding than the provinces themselves which have deferred their approval of the government plan because they do not want to make blind commitments?

If the government had the least democratic sense—but God knows it lost it a long time ago—it would have accepted the proposal of the Leader of the Opposition and would have associated all parliamentarians to a legislation which, in spite of its deficiencies, would have had the merit on being unanimously approved. Not only does the government refuse to confide in Parliament with regard to the regulations, not only does it refuse to submit its economic policy to a review after 18 months, but it creates extremely disturbing dislocations in a sector that is vital to social peace and economic security, because one thing has become obvious: free collective bargaining, working conditions are terribly restricted by Bill C-73. Not only are salary increases rigorously controlled, arbitration decisions subject to the approval of the Anti-Inflation Board, but even the other working conditions of collective agreements are not exempt from its control: the work week, social benefits, overtime pay; all those fall within the scope of the act. What else is there to negotiate?

A while ago, Mr. Speaker, I spoke of the provinces' refusal to accept the cabinet policy without knowing what the regulations will be for Bill C-73. Last week's federal-provincial conference proved the incompetence and lack of preparation of the government in its fight against inflation. Bill C-73 has hit the Canadian people like a ton of bricks: the provinces were not consulted sufficiently, neither the leaders of industry nor those of labour unions had the opportunity of expressing their views on what policy could be accepted by all sectors of the economy.

The Prime Minister, in his wisdom, in his almightiness, deemed it sufficient to say "I want" for everyone to obey implicity. The leader of the government merely forgot that we live in a democracy, that the democracy freedoms were too dearly paid by Canadians for them to sacrifice them lightly on the order of a man who as recently as a year ago managed to mislead them about the dangers our economy was exposed to.

Mr. Speaker, as the leader of the opposition reminded us, by adopting Bill C-73 in its present form, we grant the government powers the nature and extent of which we do not even know. Overnight, the government can change the way Canadians live—

● (1640)

An hon. Member: Come, now!

Mr. Wagner: —give rein to inflation and, through an ill-advised policy, plunge the whole country in worse unemployment than the one we deplore. Mr. Speaker, that is something a responsible opposition cannot accept. The government wants to regulate everything all by itself. It rejects any advice or amendment. Let it then face alone the risks of its legislation failing, because there are many given the inefficiency of those who govern us.

While the Minister of Finance (Mr. Macdonald) exercises his wits distorting the nature and scope of the amendments we introduced, his colleague responsible for Consumer and Corporate Affairs (Mr. Ouellet) busies himself to get his views share by the provinces which are visibly not interested in his credit legislation. Mr. Speaker, the provinces had enough of one day to let the minister know that his bill did not please them and that if he wanted to get their approval, he would have to review his bill and not be satisfied with window-dressing.

I mentioned credit but what does the government do to regulate consumer credit, to prevent people from going into debt at indecent interest terms? According to the latest figures from Statistics Canada, Canadians owe to consumer finance companies alone the enormous amount of $22 billion, close to $1,000 per capita. That is also part of the economic policy of a country but the government could not care less. It is no more concerned about the indebtedness of consumers than it is about its own indebtedness because otherwise it would surely have accepted the

reasonable conditions submitted by the Progressive Conservative party as regards government expenditures.

In short, Mr. Speaker, here we are again with a bill to which the government refused to make real amendments. The government throws us as a lure this review of the legislation after 18 months. But a review of what, I ask you, a review what if not a legislation that is confused, a legislation that is obscure, troublesome, autocratic, fashioned after the very size of this government whose incompetence has become both the laughing stock and the desolation of our country?

Mr. Speaker, I do not wish that because I care too much for the well being of my fellow citizens but it is easy to predict that the government program will be a vast and dramatic failure because in too many quarters Canadians still do not accept it and because, for electoral considerations, the government destroyed its credibility in advance. You need more than just propaganda to bring people to believe in something and especially a price and income control policy. You need more than propaganda. You need competence, and the government did not show it had any. You need a minimum of moral authority, and the government does not have any at all.

On October 14 had it not been for the well-known inertia of Liberal members this government would have blown up under the indignation of all those it had misled. Mr. Speaker, to assuage his conscience the Prime Minister is now touring the country saying he is quite prepared to give up power at the next election to save the country from inflation. What generosity on his part!

What belated generosity from a man who has plunged the country into a chaotic situation, who does not even offer an apology for it and who has discredited in advance the very means by which attempts to make us believe he will rescue the Canadian economy, Mr. Speaker, let the Prime Minister spare us his rhetoric.

His defeat will come much faster than he expects. One day, even the Liberals, and I see several opposite, will be tired of such a Prime Minister and I can see they have difficulty restraining their applause at this thought. This government is facing the death sentence on deferment and is totally discredited. Only fear prevents it from appearing in front of the people and submitting itself to their judgment, a fear so deeply engrained that it brings a most significant grin on the faces of the few Liberal members who are present in the House.

[*English*]

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I rise to say a few words about Bill C-73. It has been discussed at great length. As we look over this bill, we see it has some very serious defects. No one disagreees with the suggestion that we have to control inflation. We recognize that inflation is bearing more heavily on those with low incomes, such as the pensioners and others. They are the ones who are paying the price of inflation.

As the Prime Minister (Mr. Trudeau) has said, we all know that inflation will end in disaster if it continues at the present rate. I am sure all members are also aware of the fact that in 1974 the Conservative party put forward the necessary requisites for a bill that would give full consideration to the wishes of the people who make up Canada, including industry, labour, professional people, farmers and others right across the board. As a result, the representatives of those people would have reached a consensus with regard to the problem. At that time the Prime Minister said such a plan was unnecessary because he had inflation under control or was bringing it under control. I believe his exact words were that he was "wrestling it to the ground". The leader of the Conservative party travelled across the country informing people about the proposals of this party to control inflation. I am sure that plan would have brought about a consensus without forcing this type of legislation on the public, and could have been accomplished by agreement across Canada. This would have been something acceptable in that it had a time limit.

We now find the Prime Minister saying we must have controls. In September he said it was economic nonsense, but suddenly, one night in October, he said they were required. The sad point about all this is that the situation has deteriorated during this time to the point where no one in government now knows what they should do. Businessmen do not know how to plan, just as people in agriculture cannot plan ahead. Commerce and trade have been involved in serious strangleholds because they do not know what costs will be.

At a meeting of a committee the other day which was considering supplementary estimates, I was shocked to find out that the estimates have gone up over $1 billion in just a few months, and rising costs will be written in as a result of the inflation factor. In other words, fixed costs have gone up tremendously, in the order of 53 per cent. When that is considered in light of the inflation factor, it is alarming. As the Prime Minister has suggested, we will be going down the drain if we do not look out. How long did it take him to come to that conclusion?

We must find the answers to many questions. When is serious consideration to be given to this matter? What kind of an economy do we want? What kind of a bill must we have in order to avoid the obvious dangers? How is the bill going to work over a period of 12 months?

I could support such a measure, as members of this party have plainly stated, if we were to review the measure within a few months do determine how it is working out. But there is no way I can support a bill which contains the powers that will allow the establishment of a dictatorship and an indefinite loss of freedom. That is what could happen. We have seen it happen in other countries.

Let me make my position clear. In no way can I support a measure that could end up with the creation of a dictatorship. I will not support this bill. I do not take that position because I object to any measure of this kind, but such a measure should incorporate a review of the bill within a limited time as advocated by the Conservative party, and assist, in the end, freedom of the people.

● (1650)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Norfolk-Haldimand (Mr. Knowles)—Storms—Request for federal assistance to those suffering damage in Lake Erie region; the hon. member for Egmont (Mr. MacDonald)—Transport—Federal-provincial study of another transportation link between New Brunswick and Prince Edward Island—Government action; the hon. member for Surrey-White Rock (Mr. Friesen)—National Film Board—Proposal that open competition with board be permitted—Government position.

GOVERNMENT ORDERS

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the third time and do pass.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I know many adjectives have been used to describe Bill C-73 and the government's anti-inflation program. This afternoon I propose to use two adjectives and to concentrate on those in respect of this particular bill and the government's program. The first adjective I could think of, which I am sure will occur to many Canadians, is "confusing". It is confusing. This is the most confusing program ever announced in this House of Commons since I came here in 1972.

I say it is confusing, first because the Prime Minister (Mr. Trudeau) announced there would be 1,500 corporations with 500 or more employees which would be covered in terms of wages. Now we have heard that 2,500 corporations will be covered, and there is a promise of more. It started out in the construction industry with companies which employ 20 people or more. These companies were to be covered. Perhaps the government forgot that there are over 100,000 construction companies in this country which have 20 or more employees. The board estimates there are about 5,000 of these companies which will be covered by the controls. I say that with the industry-wide wage bargaining, which the government says will be included in the guidelines and regulations, there will be up to 50,000 construction companies involved. Another point of confusion is that mortgage interest rates are not to be covered. Will real estate and stockbrokers be exempt? Some will be covered, but not all. The Minister of Finance (Mr. Macdonald) says it depends on their size and whether they are engaged in the construction industry.

Repeatedly the government has said that its anti-inflation program is not intended to interfere with free collective bargaining. As a matter of fact, on November 7, 1975, there was a statement by the Anti-Inflation Board that it did not intend to interfere with collective bargaining. But lo and behold, last Friday, Jean-Luc Pepin, the Chairman of the Anti-Inflation Board, made a statement about the metro school board's latest offer to its teachers. This certainly destroyed meaningful collective bargaining for those parties. We have had the case of Steinberg's hiding behind the anti-inflation guideline of 10 per cent. That has ended the collective bargaining between itself and its employees. As a matter of fact, I strongly suspect the voluntary price freeze by the supermarkets which, incidentally, was started by Steinberg's, was a deliberate move to encourage customers into Steinberg's stores after they had embarked on this kind of confrontation with their employees, all the time hiding behind the government's anti-inflation program.

We have also had the case of the Canadian Brotherhood of Railway and Transport Workers Union. This union approached the Minister of Labour (Mr. Munro) and appealed to him to investigate Voyageur Colonial Limited for hiding behind the anti-inflation guidelines and refusing to negotiate meaningfully with its employees. We have heard the Minister of Labour stand up in this House and say that the paper companies are hiding behind the guidelines and refusing to negotiate in a meaningful way with their workers. It is not surprising that the trade union movement has the impression that this government is out to interfere with free collective bargaining in this country.

In respect of prices, the confusion reigns even more supreme. Apparently there are no controls on interest rates, particularly mortgage interest rates. One of my colleagues has already mentioned in the House that we might look at the latest figures with regard to the banks, reported in today's *Globe and Mail* in the business section. The article reads in part:

> The ten chartered banks showed an after-tax balance of revenue (the equivalent of after-tax operating profit for other companies) of $182.9 million in the latest quarter, up 87.5 per cent from the corresponding quarter a year earlier.

That is what creates a credibility problem for the workers of this country whose wages are effectively controlled by this so-called anti-inflation program. But even more surprising are the factors which apparently helped the banks enjoy such a healthy profit figure. The article points out the following:

> Another factor that helped bank profits in the latter part of the year was the ending of the 10 per cent surcharge on profits, which had lasted from May 1, 1974, to April 30, 1975.

The government could have extended that surcharge. It has the power to do so because it now has a majority. No longer can the government say it is shackled by a minority parliament; because it has a majority, it has the power. The government, in effect, has condoned this kind of profit-taking by a large powerful group in the Canadian economic picture. There are some other factors which contribute to this very healthy profit figure. The article states that "other factors which helped bank profits were increases in

bank service charges and the slowing of the rapid growth in salaries and benefits costs over the year to its employees.

It is very obvious that the government cannot say wages have been responsible for taking some of the profits of the banks. This is obvious because the banks have been very capable of controlling any increase in benefits or wages of its employees. This is an example of the kind of thing which indeed creates confusion. It is difficult for the Canadian people to understand what the government is doing. Lo and behold, after it was discovered that certain supermarkets were indeed using loopholes to skin the public, the government belatedly announced that it will monitor food prices and that in order to do so it will set up five regional offices. So far it has been admitted that over 1,000 phone calls have been received complaining of price increases.

What is also confusing is that the government has announced it will be having 200 employees in that particular department to do all the things which this program entails. How naive do they think that not only parliamentarians, but the people of Canada are to believe that a bureaucracy of 200 will do all the things it is said the program will cover.

The other confusion which prevails in respect of this program is a very important one because it deals with the cost of operating the anti-inflation program. Just the other day we had the supplementary estimates before the committee. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) was being questioned about the supplementary estimates for the Anti-Inflation Board: it is estimated that the government will require $4,863,000 up to March 31, 1976. The supplementary estimates also indicated that the number of persons employed would be 191.

● (1700)

I want to read into the record an excerpt from the proceedings of the Standing Committee on Health, Welfare and Social Affairs dealing with the supplementary estimate for the Anti-Inflation Board. The meeting was held on November 28, 1975, and the proceedings read as follows:

MR. HNATYSHYN: A point of clarification, do you mean the number of people represented in these estimates then, in fact, do not disclose the total number of people to be employed in the Anti-Inflation Review Board process—

MR. OUELLET: They do.

MR. HNATYSHYN: You indicated there were people on loan from your department. I take it they would be taken out of their existing jobs and would be directing their attention towards Anti-Inflation Board review activities.

MR. OUELLET: What are the numbers here—

MR. RODRIGUEZ: One hundred and ninety-one.

MR. HNATYSHYN: Mr. Chairman, the figure 200 is always cast about as being a sufficient number to monitor this whole business but they would have to work as hard as members of parliament to keep up that pace, I will say.

MR. OUELLET: No, the figures that you have there are for people who are hired and paid by the Anti-Inflation Board.

MR. HNATYSHYN: So there are in fact, as I understand you, a number of people who are on loan from Finance, National Revenue and your own department.

MR. OUELLET: Yes, and they are there for a short period of time to help launch the board, establish and get on.

[Mr. Rodriguez.]

Basically the board will become bigger if people do not voluntarily follow the guidelines. The more people try to evade the guidelines, the more people the Board will need to look at it, and hopefully the people of Canada will follow the guidelines and the board will not have to be involved as much and become too big. If the board becomes too big, that would be a clearcut indication that the program is not working.

Obviously, that is what the government is preparing us for, the fact that there is going to be a very large bureaucracy which the taxpayers of this country will be asked to support in an attempt to break the back of what the government calls skyrocketing inflation. In the minutes of that meeting we find it stated that the administrator of the Anti-Inflation Board is not a member of the government and his wages and expenses are not included in the supplementary estimates. That portion of the proceedings reads as follows:

MR. RODRIGUEZ: I notice the wage of the administrator for the Anti-Inflation Board is not included here in the estimates.

MR. OUELLET: No, because the administrator is a separate entity of the Anti-Inflation Board.

MR. RODRIGUEZ: He will come under National Revenue, I presume.

MR. OUELLET: I suspect, yes.

MR. RODRIGUEZ: I was looking in National Revenue and I did not see any estimate there to cover his wages.

MR. OUELLET: Hopefully, he is already paid.

We certainly have a clear indication that all the amounts of money which will be required to run this program have not yet surfaced or are being hidden very well in other departments. Obviously, it will cost a lot more than $1 million a month to operate the Anti-Inflation Board. It seems to me that the government has failed to provide accurate information as to what the actual cost of running its anti-inflation policy will be. The only accurate information made public has been through the supplementary estimates regarding the costs of the Anti-Inflation Board, and I have already referred to that figure as being $4,800,000.

As the Minister of Consumer and Corporate Affairs pointed out, this figure does not cover the salary of support staffs of either the administrator of the program or the appeal tribunal. The administrator, under Bill C-73, along with one or more persons appointed as deputy administrators, will be covered under the Public Service Staff Relations Act and under the Public Service Employment Act. Provision is also made in this act for the appointment of staffs for the administrator and deputy administrators under the Public Service Employment Act. All of this will obviously cost a significant amount of money which has not yet been made public. The chairman of the appeal tribunal shall be paid such salary as is fixed by the governor in council, and each other member shall be paid such fees or other remuneration for his services as shall be fixed by the governor in council, according to clause 28(1) of this bill. The government has produced no figures as to what the whole cost will be. The staff for the tribunal will be handled in the same way as that of the administrator, making it another hidden cost which has not yet been disclosed to the Canadian people.

I said that I could describe this bill with two adjectives. The first is "confusing" and the second is "inappropriate". This party has said that the bill is inappropriate at the moment in Canada. On close analysis of the current economic situation one finds little evidence that inflation is

getting worse. As a matter of fact, there are signs that the economy is improving. This is borne out by a global economic survey done by *Newsweek* in conjunction with the University of Pennsylvania's Wharton Econometrics Forecasting Association in September. I want to quote from their survey as reported in the *Citizen* issue of November 24, 1975, which reads as follows:

It predicts that the United States would lead the recovery and continue in an upward movement through 1976 and into 1977... includes an over-all look at the world economy as well as individual forecasts for 14 of the world's most industrialized, non-communist countries as of the third quarter of 1975.

It says world trade, which declined probably more than 6 per cent so far this year, "should pick up more than 5 per cent in 1976 and by almost 10 per cent in 1977".

It says world production, measured by the growth of the gross domestic product—the gross national product less payments of wages, interest, rent, profits and other income items paid abroad—"should be on a 4 per cent growth path or better in 1976—and this rate ought to accelerate to 6 per cent in 1977".

Inflation, the survey says should drop to "a mere 6 per cent or less in 1977".

So why did the government bring in this grotesque piece of legislation? Because the government, at the urgings of their boardroom friends, want to protect their high profit-taking, and to do this wage costs must be cut down. The percentage of the national income accounted for by wages and salaries fell from 72.8 per cent in 1970 to 67 per cent in the first half of 1974. Since the middle of last year, however, the picture has changed. Labour's share increased to 69.4 per cent by the end of 1974, and by the middle of this year rose to 70.8 per cent. Big business, on the other hand, had its profits and interest fall to 21.1 per cent by the end of 1974, and to 20.1 per cent by the middle of this year.

This shift, which has by no means yet carried labour up to the share it had achieved in 1970 and which, incidentally, is quite comparable to the U.S. experience, has taken place because of an increase in the militancy of workers expressed in high wage demands and increased strikes. It has taken place in a context, however, where due to the worldwide capitalist recession, and especially the recession in the United States, Canadian corporations have convinced the government, despite a higher rate of inflation in other countries, that they cannot raise their prices to protect their profit margins if they are to remain competitive in the international markets. They have obviously convinced the government of a squeeze in profits, which is not yet particularly marked but which the government is apparently determined to prevent occurring, hence its wage restraint policy.

If we have any illusions about Jean-Luc Pepin's desire to control profits, listen to Mr. Arthur Donner, an economist with Research Securities, speaking at a meeting of Institutional Investors on October 23, 1975.

Donner told a meeting that the controls on profits and dividends seem to be much stricter than they originally appeared.

However, he doubts they will be applied very strictly since he would be surprised to see Jean-Luc Pepin come down hard on business.

● (1710)

He certainly would be very surprised, and I think we all would be very surprised, if Mr. Pepin came down very hard on corporate profits. We all know where he stands in that regard.

In that speech he also noted that the major influence on Canada's lower inflation rate next year will be the lower rate of inflation in the United States, not controls. It seems only logical that when the inflation rate in the United States goes up, it affects our economy; and in a similar fashion, if the rate there goes down, it will obviously go down here. If we have any doubt about the loyalties of Beryl Plumptre and where her heart lies, we ought to have no difficulty in that matter because this is what she told a group of Canadians recently:

The board will have to show restraint with the companies and their profits. After all, we need profits to provide jobs and investment for more growth and more jobs.

Obviously, the biases of the two most important people on the Anti-Inflation Board have become known before they have even started operating the program. High rates of inflation are being experienced in only very specific areas such as food, energy and shelter. In most other areas inflation is moderate. Yet we find many of these specific areas are totally, or in large measure, exempt from the controls announced by the government.

Let us consider energy for a moment. It is interesting to note a speech made by Mr. Clifford Jutlah. He is an economist who works for the Ontario ministry of treasury, economics and intergovernmental affairs. Speaking to the founding meeting of the Canadian Petroleum Association of Canada, he said:

Higher oil and gas prices cost Ontario 22,000 jobs last year, 16,000 jobs this year, and an expected 19,000 jobs next year... higher oil and gas prices can be blamed for one-third of the inflation of the past two years, and triggered the current recession in Canada... the increases over the past couple of years, which have seen wellhead prices for oil triple and those for natural gas more than quadruple, have increased the country's fuel bill by $3 billion a year... rising fuel prices pushed the consumer price index up 3.5 per cent in 1974, about one-third of the year's inflation.

Yet we find that particular aspect of the Canadian way of life—energy—exempt from the provisions of the guidelines. So there we have an expert economist in the Ontario government pinpointing an area where inflation has been most rampant. But we are going to leave that alone in the guidelines; we are not going to touch it. The Minister of Finance admitted in this House that controls on food prices would be difficult. The question of being able to control the pricing activities of multinational corporations has also been concededly him. There are no possible means available to monitor those prices. The minister admitted that fact in committee when we discussed the matter of transfer pricing. As for housing, the government did not move in on land speculators, nor did it touch mortgage interest rates. I have already referred to the profits the banks have recently declared. Just imagine, we hung Dick Turpin for that kind of thing! Even though housing costs have contributed much to the level of inflation in Canada, we continue to exempt interest rates, specifically mortgage interest rates, from any kind of controls.

As a matter of fact, talking to some of the teachers who were up on the Hill today, one comment came back again and again, and that is that if the government is prepared to control escalating costs such as housing and fuel, they would be very prepared to accept controls on their wages; they would not take any increases at all if the government could assure them that there would be effective controls and no skyrocketing increases in those particular items.

However, the government has chosen not to interfere with that sector at all.

Where else is inflation in Canada being fuelled? No less a person than Mrs. Sylvia Ostry, deputy minister of the Department of Consumer and Corporate Affairs, pinpointed it. She was speaking to the Empire Club in Toronto on October 30, 1975. She is one of the government's own, and the government does not even listen to what she says. By the way, she was the chief statistician in Statistics Canada. This is what she said to the Empire Club in Toronto:

> Business concentrations in Canada have undermined efficiency and fuelled inflation.

She went on to say:

> As well, there is considerable evidence that prices in concentrated industries are less responsive to changes in the general level of business activity.

She also said that there is a "disturbing level of concentration in the Canadian economy." She pointed out the following:

> A 1965 government study showed that the 50 largest companies in Canada accounted for 36 per cent of total manufacturing value-added. By comparison, the 50 largest companies in the United States accounted for 25 per cent.

She also said:

> Despite the highly concentrated structure of Canadian industry, production units in this country tend to be excessively diversified, are often undersized, and typically unable to exploit potential economies that are available from longer production runs.

All these remarks I have read into the record have not referred to wages fuelling inflation; they have referred to such items as housing, fuel costs and monopolies—and these are the particular areas the government has not touched at all. The government has said it will deal with monopolies in part two of the anti-combines legislation, which is off somewhere in the future, probably at the end of this so-called three year run of the program; but it is not going to touch that baby because when it starts doing that it touches its friends in the corporate boardrooms. It is easier to control little people who may or may not be organized in unions. However, we will talk about that later.

The Minister of Finance and government economists, as well as others knowledgeable in these matters, have said that higher productivity is the key to beating inflation. Now we have to work our way out of inflation. When we look at plant capacity in Canada, we see that it has been declining over the past year to the point where it is now less than 85 per cent. I think it is around 80 per cent. Obviously, people are not trying to take more from the economy than it is capable of producing. The argument is that people are greedy, but that is a common denominator: it is a common human element, and this program will not alter that. That argument is to divert attention from the real problems.

Obviously, this economy is not operating at full capacity. There are 700,000 people in this country who are unemployed. Did 700,000 people make themselves unemployed? It was the direct action of this government between 1968 and 1972 which created the present level of unemployment. The unemployed did not ask to be put on unemployment insurance benefits. The government did this, and it will do so again with this program. It is not an accident that the government is now redefining the unemployment rate which is acceptable in Canada under the unemployment insurance bill which is before a committee at the moment.

When the government starts talking about productivity, it ought to be talking about creating employment in Canada, raising the capacity and using our productive plants to their full capacity. Imagine, if we could put 100,000 of those 700,000 people back to work, the impact that would have on the economy. It seems to me that the government has not come forward with a strategy to activate this 15 or 20 per cent of plant capacity which is idle at the moment, with the view of getting the economy moving in that area. It is clear that the government is attempting to place the blame on labour, as they have done time and again in the past. We have seen ministers running around the country saying that labour costs are fuelling inflation.

● (1720)

In this latest speech, the Postmaster General (Mr. Mackasey) became the hatchetman for the Liberal party. He tried to paint the postal workers as villains for wanting a wage settlement which would at least allow them to catch up with the past several years of inflation. He has the gall to say that the 38 per cent or 42 per cent demanded by them is inflationary. When we see the kind of profits the banks have declared, going from 65 per cent to 149 per cent—

Mr. Darling: They were asking for 72 per cent.

Mr. Rodriguez: That is collective bargaining. You sit down and bargain collectively. That is the process.

Mr. Darling: It is blackmail.

Mr. Rodriguez: The Postmaster General has gone so far as to accuse labour of fighting the nation to which they owe allegiance. He has called public service unions the "lead dogs of labour". He has accused them of increasing their wages while unemployment was rising, recession was developing and producticity was falling. He conveniently ignores the fact that during the last few years profits rose much faster than wages or profits to small business. We did not hear anything from the Postmaster General then about big business being at war with the country. Now he says those who oppose wage and price controls are not patriotic. He probably means Steinberg's is patriotic. When Inco and Falconbridge become patriotic, then I start to worry. We recently saw how patriotic Falconbridge was in Sudbury. As soon as profits began to shrink, they laid off 1,000 workers.

It seems to me that members of this House who voted themselves a 33 per cent increase in wages have a great deal of gall to support the Postmaster General when he stands up—

Mr. Paproski: That was over seven years.

Mr. Rodriguez: The postal workers are asking for—

Mr. Paproski: Will they accept—

Mr. Rodriguez: Mr. Speaker, you can tell when you hit something.

Mr. Paproski: That is a cheap shot.

Mr. Rodriguez: You are so sensitive, I say to the hon. member for Edmonton Centre (Mr. Paproski).

An hon. Member: Then why don't you be sensible?

Mr. Rodriguez: This House recently passed a nice pension plan. I do not know of anybody in the work force who gets that kind of pension. Six years in this House, and you walk away with a pension: you do not have to be any particular age to collect it.

Mr. Darling: Don't say "you"; say "we".

Mr. Rodriguez: I will be back after the next election; I can tell you that, Stan.

The Acting Speaker (Mr. Turner (London East)): Order, please. I would ask the hon. member to address the Chair.

Mr. Rodriguez: Mr. Speaker, I apologize for not addressing the Chair, but if you would keep these yahoos in line—

Some hon. Members: Hear, hear!

Mr. Rodriguez: The official opposition has been most confusing and ambivalent with respect to this bill. First they voted for it on second reading and now they come beating their breasts saying they are opposed to it. They cannot have it both ways, Mr. Speaker, but still they try. A control is a control is a control, whether it lasts three years, 18 months or is a 90-day freeze. It is a control system and they are for controls, so I do not see that they have any quarrel with the party on the other side.

As I was saying, the Postmaster General is the first hatchetman for the Liberal party and they are starting their programs now. In the first speech he made signalling the opening of the battle, he stated that if organized workers get decent wages it will subtract from the money available to unorganized workers. That is nonsense. The wages of organized workers serve as examples to drive up the wages of the unorganized. It can be said, in all honesty and fairness and with history on my side, that the trade union movement has done more for this country and has improved the standard of living of workers across the land more than any government that ever sat across the way.

This is what the Postmaster General wants to put across. Because the unionized workers are going after improved wages and want a bigger share of the pie they helped to create, he is saying they are taking it away from those who are not organized. The government has always been backward in bringing in labour legislation in this country. In some provinces labour legislation is archaic, and in this House we have a government which refuses to improve the federal minimum wage. They are discussing it and there are promises that an announcement will be made shortly.

The government said that this bill would break the inflation psychology. That is what its premise is. Obviously, it will not break the inflation psychology when we have so many groups who feel alienated by the legislation and are not prepared to co-operate with the program. Every day we see a different group here on the Hill demonstrating against the program which is obviously very prejudicial in its application. The time is long past when Canadians would sit passively by and accept this grossly misplaced piece of legislation. It is contrary to the Postmaster General's patriotic appeal that to support it is to be patriotic. I say to the workers of this country that it would be patriotic to oppose it. My party cannot support this bill.

Mr. Boulanger: We have known that for two weeks.

Mr. Rodriguez: We ran a campaign in 1974 opposing wage and price controls.

Mr. Orlikow: That is how Prosper got re-elected.

Mr. Rodriguez: He could not even hold on to his Deputy Speaker's position; he got lost in the shuffle. Maybe he will get lost in the next election.

This party has been on record as opposing this kind of misanthrope legislation. We have opposed it in elections. We have nothing against an incomes policy, but this is not an incomes policy from a socialist's point of view. It is fairly obvious that this government has not attempted to identify those areas where inflation is highest. Why do we need this intrusion into the lives of the people? It is a dangerous trend. This kind of power is given to an anti-inflation tribunal where Jean-Luc Pepin, a Liberal party flunkie, can interfere in legislation. For example, through Bill 100 the government of Ontario set up a new program of teacher wage bargaining with school boards. Today we see governments interfering in the lives of Canadians.

Mr. Speaker, a system which we spent years developing to provide freedom, justice and democracy for our people, namely, the collective bargaining process, is being eroded with this bill. Indeed, one of my constituents, a very mild person, became incensed with what was happening with supermarket prices. She said that prices are so high that she is becoming frustrated to the point where, when she goes into a supermarket, she will take a gun with her, take what she needs from the store, and if anyone tries to stop her she will shoot them. That is the way this kind of government legislation affects people: it pushes them to the point where they must take drastic action.

● (1730)

Some hon. Members: Order.

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may only continue with unanimous consent.

Some hon. Members: No.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, it is well known to the House that I did not vote for this legislation on second reading. I think the House has a right to know why I took that position. This is the first opportunity that I have been given to express these views. First, I wish to remind you, Mr. Speaker, that the right hon. member for Prince Albert (Mr. Diefenbaker) who spoke yesterday put his finger on what will eventually become the key issue in this whole discussion. The question of taking away the freedom of people must always be the number one issue before any parliamentary government.

I would not suggest for a moment that there are not times when you have to take away the freedom of the people for necessary public purposes. I recall the last war, when the nation, generally speaking, enthusiastically supported the loss of our freedom so that we could better fight that war. I vividly recall that near the end of the war, when the tide was turning in our favour, it was very difficult to keep the morale of the people high and to maintain the self-imposed disciplines that they had to impose on themselves to carry out this loss of freedom. I saw a great nation like the British become demoralized at the end of the war. The black market spread all through the economy and the respect for law declined in that once great nation.

I am not going to develop the theme of freedom after what the right hon. member for Prince Albert said yesterday, but I am sure that over the years to come this will be quoted as one of the examples of where a government, without legitimate cause, moved in the direction of restricting the freedom of our people in the economic field.

I suggest you can learn a lot by watching the method of operation of a leader or a government. My mind goes back to the election of 1968. With deliberate planning, the election was called on a Tuesday, instead of the usual Monday, so that the election could be held the day after the St. Jean Baptiste celebrations in the city of Montreal. In those celebrations, the Prime Minister (Mr. Trudeau) deliberately provoked the animosity of the people and had bottles and cans thrown at him. This had the effect, on the eve of the election, of polarizing the people on an issue that was really not involved in the election. I recall with deep sadness watching that demonstration over television which I could not help believing was not accidental.

I saw that technique used in 1968. I saw it repeated in 1970. I was not a member of this chamber at that time. I joined a group of people over at St. John's cathedral to protest the War Measures Act on the grounds that there was not sufficient challenge to the safety of the state to bring on the military to control a few social drop-outs in the city of Montreal. When the evidence is brought out, it will indicate conclusively that, because of a few frightened politicians, we put the whole majesty of the forces of this nation to corralling a few lawbreakers that you would ordinarily send a junior sergeant over to settle. That method of operation used in 1970 rallied the whole nation behind the Prime Minister because the people are taught to believe that you must always respect the leader of your country. They are taught that when he says the country is in danger, you rally behind him.

There was a third occasion. When the election was called in 1974, it was the government, aided and abetted by the New Democratic Party, that went on the attack and labelled the leader of the Conservative party as the devil to be aware of because he was going to bring in wage and price controls. In nearly six weeks of that compaign, in both official languages of this country we heard the phrase "there is going to be a freeze on your wages." So successful was that indoctrination of the minds of people listening to the media that the labour vote of our big cities, particularly Vancouver and Toronto, voted Liberal to save themselves from this desperate freeze for 90 days. The leader of the NDP who supported that type of strategy paid a heavy price for his mistake, as did our leader.

Our leader, who had taken the stand which he did, announced that stand in this House many months before the election. After the election he stood up before his party and accepted all the blame. He is retiring from public life, not honoured by success in the field of electoral victory but honoured by this nation because he tried to paint the picture of truth in the hope of getting a national decision. At this moment in Canada's history, if a general election were being held today and this man was the leader of our party, he would be the prime minister after the election.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): However, such is not the case. What we are faced with here is another of the techniques of confrontation. There is no question in the minds of most of us who know what goes on here that there has been a strong movement, for many years, in a select group within our civil service which holds to the view that individuals in Canada are not competent to make decisions for themselves. They do not believe that the farmers should be allowed free decision-making. We saw that in a raft of legislation in the session of 1970. They do not believe that business knows how to make decisions. There is continual interference in that sector.

However, with this particular move at this time, knowing the pressure of the civil service for its planned system of society, the government acquiesced to them. The Prime Minister immediately reverted to his traditional method of operation, namely, confrontation. In this announcement the Prime Minister deliberately went out to confront the big labour unions of this country and to pose as the defender of the great majority against the great barons of labour. Listening to the speeches of the NDP, I can sympathize entirely with the philosophy of what they are trying to say. It is wrong in a nation like Canada to try to make any segment of the economy or any minority group the target of a government's animosity. I do not necessarily agree with all I have heard from the New Democratic Party in this debate, but on this question of the fairness of it, and what is being done to the democratic system, whether you are attacking the St Jean Baptiste Society, whether you are appealing to the fears of the nation about law and order in Montreal in 1970, whether you are frightening the labour votes in 1974 and then turning around and attacking the labour leaders in 1974, the method of operation is consistent, and that is not good for democracy. That is the number one key issue. You do not take away freedom lightly; you do not apply a system of controls lightly. It is only when a nation is in desperate straits.

● (1740)

I spoke in the House on this subject two years ago. We were allowed by the Chair to have an all night debate and I put forward a series of proposals I thought the government could adopt to attack inflation. There were five proposals. I am not going to quote the whole thing tonight. I would just like to quote a concluding paragraph which can be found on page 6538 of *Hansard* of September 13, 1973. These are my own words:

It is not an accident that the Conservative party, surely the last party that would ever go for controls, should come out and say we see no recourse but for a 90-day freeze, then one and a half or two years for controls to ensure stability so we can move forward with our long and short range policies. Whenever the Conservative party accepts that position, great is the danger to the nation because in the long run controls are inflationary. You have to get out of them as fast as you can. However, you cannot put in these policies and make these changes unless there is that economic stability. That is what I am asking the House to consider.

That was the anguished conclusion I reached over two years ago at a time when we were in a demand-pull type of inflation added on top of the cost-push. We had to put in that freeze to give us time to bring in a budget attacking the fundamental causes of inflation on several fronts simultaneously.

The reason for selective controls is obvious. You might find corporations, big business, big unions not willing to follow too quickly some of the directions laid down in the budget, which had to offer tax incentives and positive inducements, not restrictive controls. We needed those selective controls with the authority of the provinces, since only the provinces have constitutional authority to interfere with property and civil rights. That view I put on the record in the House, Mr. Speaker, over two years ago.

The bill before us now makes no effort to get after the fundamental causes of inflation. In addition to being a direct attack on a group, the working people, it is also a direct attack on the constitution of this nation. I have read the speeches given in this debate from the very beginning up to last night, and I attended here today. Three or four speakers have mentioned the constitutional aspects, but I say with deep feeling that this country has not been done right by. No member on either side has made any real effort to put before the people of Canada the seriousness of the constitutional attack on the provinces this bill represents.

Mr. Broadbent: Andy did.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am simply referring to the speeches I have read. I think members much better qualified than I should be the ones to lay before the people the dangers which are inherent in this bill in terms of our constitutional rights and privileges.

Forgetting party for the moment, when you restrict or control the citizen there must be a good reason, and the question I ask is this: does Bill C-73 attack inflation and is the inflation so great that the nation is in mortal peril? That is the question I put before all of us as Canadians. My first answer to that question, from my own point of view, is that the bill does not fight inflation. This bill in every one of its terms legislates inflation. For example, it legislates that the working man can get no more than 8, 10 or 12 per cent increase per year on his income. Let us call it 10 per cent. In fact we all know that this is the amount which will be forthcoming. We have, by the very nature of human nature, legislated that the increase in the cost to society of working people's wages will be 10 per cent.

Still on the question of legislating inflation, we have said in the legislation that as far as prices are concerned they will be based on cost. If costs go up 10 per cent or 20 per cent to compensate for the increased costs built into the system in the last two or three years, then the businessman is allowed to take his profit on the basis of that cost. So we have a cost-plus situation. This was what hurt us so badly during the control system during and after the war.

The story is told that businessmen used to come down to the hotel here regularly and after a hard day of sitting around government offices trying to meet somebody, they would go down and have a good meal at night. They would eat well and drink well. And when a large bill would be presented by the waiter at the end of the meal they all fought for the bill. One man would say, "Let me have that bill, my company is in the 50 per cent bracket and it only costs us half the bill." Another fellow would say, "Give me that bill. I am on an individual tax rate. I will get 90 per cent back if I pay the bill." But the guy who always won the right to pay the bill was the guy who said, "I am on a cost-plus contract and I will make 10 per cent."

This is exactly what has been legislated in the bill as far as prices are concerned. You have legislated cost-plus, which means you have legislated inflation in prices, all in the hope that prices and wages will not go above the level of 10 per cent which is the objective.

A year or so from now hon. members will find my statements to be true—that inflation has maintained its level around 10 to 20 per cent. So the first thing I have to say about Bill C-73 is that it legislates inflation, it does not fight inflation.

● (1750)

My second point, which I have touched on already, is that I suspect that this bill in the normal sense has to be considered unconstitutional. It has been mentioned that there is no preamble appealing to the good order clause in the constitution. What has not been mentioned sufficiently, in my judgment, is that most wages and prices are completely within the field of the provinces. This bill says that it is not binding upon Her Majesty in the right of the provinces or upon Her Majesty in right of the municipalities, yet the government is systematically sitting down with one province after another and conniving together to get around the constitution of the country. As some provinces are now indicating, the legislation will not work because of its unconstitutional nature.

My third point is that the bill is pure public relations. Even before the announcement was made to the nation we discovered from reading the insider accounts, in the magazine that reports for the government to the people of Canada, that it wanted, first of all, a public relations man. Only later did it go for the other people to head up the program. When you see a government heading for the top public relations man it could find, over whom it had a hold, and it brings him back, and then later it figures out who will head up the program, then you can understand why I say this is a pure public relations operation.

We know the senior mandarins of the civil service wanted some planned controls on a permanent basis for many years. We also know there are individuals in the government who are opposed, and have been opposed, to controls, and who know that they will not work. Therefore what we have here is an effort to go out on a public relations war, using as the first target the big labour barons, so as to try to unite the country against this

particular group. There are lots of reasons that the government could put forward for uniting against them, and in this way they hope to get the support of the country for this unworkable program.

I think every member of the House knows that this past year the government had no intention of employing wage and price controls, but what triggered it off was the departure of the former minister of finance. With his departure panic set in, and both the caucus and cabinet joined in pressing for action that would carry out what the civil service had wanted all along. I put this point before you, Mr. Speaker, in the hope that we will know the real enemy here. There are some people in this country who want a planned, controlled system to work all of the time.

My fourth point about what I do not like in Bill C-73 is that its economics are so brutal. Many studies are available from people much more learned than I, written in very involved English, showing that when there is, say, 5 per cent inflation in prices, governments get a lot more money than the 5 per cent. One study shows that 13 per cent accumulates to government whenever prices rise by 5 per cent. Transposing that to 12 per cent inflation, about 30 per cent goes to government. If one looks at the income of the government these past three or four years, without there being any serious change in the tax level, one finds a tremendous flood of money flowing into government coffers. It is easy to see why governments have a vested interest in inflation; they like it because they get more money to bring in more programs.

Even though the government has accepted the principle of indexing and has applied it partially, some of the studies that have been published indicate that it is government that is the big winner in inflation. We should think seriously not only of the civil servant who believes sincerely in a planned economy; we should also think of the fact that governments, mortal as they are want to get all the money they can. The main reason that they do not want to fight inflation is that they are the biggest beneficiaries. That is the point I want to make.

I do not think it is right just to condemn this legislation for what it is, bad legislation, without putting forward some form of alternative that is credible and reasonable. I have done this before, but I will do it again. A real anti-inflation plan can be put forward, and it is not new. I would think that the great majority of rational minded people, if they had to list the causes of modern day inflation, would put government spending or costs as number one. I have read the speeches of three or four or more speakers, and the Leader of the Opposition pointed that fact out over and over again.

When I speak of government costs I do not want to leave the impression that the only thing you can do to cut costs is to cut down on things like the Prime Minister's swimming pool. That is pure nibbling at the problem. I am talking about the fact that 70 per cent to 80 per cent of the costs of the federal government are locked-in costs; I think they call them statutory costs. No one has been making any effort to find out how we are going to cope with these open-ended policies that bring increasing tax burdens on the shoulders of the people in order to fuel these funds that grow and grow.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

When I speak of a real anti-inflation plan to meet rising government costs, I am not talking about the 20 per cent to 30 per cent that you nibble off here and there. I am referring to the basic problem. I am not talking about negative deterrents in these programs; I am saying that enough knowledge has been collected over the last 30 years to turn the philosophy of these programs around and, through positive, dynamic approaches, cut the programs down compared with what they are today, and without taking away one single service that the people want.

I happen to know that one of these proposals was made in 1948, which is a long time ago, but no government has acted on it. I say it is about time we began to reassess the fundamental philosophy of the statutory programs that we have and which the people want. I am prepared at any time to put these programs forward in detail, with the quantitative evidence behind them, to show that they can and will work. In other words, government costs are the number one target.

When this party put forward an amendment in committee to the effect that the government should restrict itself to some 10 per cent in the matter of increased government spending, as it is so restricting the individuals of this country, the amendment was refused by the government. That is conclusive proof that the government has no intention of applying the same kind of controls to itself as it is applying to the working man. The refusal of this amendment convinced the Conservative opposition that there was no intention on the government's part of being sincere about reducing inflation. Since the government is the chief culprit in this rising tide of inflation, unless it takes some action inflation will continue.

I should have liked the amendment to go further and limit the government's income to 10 per cent. That would be the largest guarantee that expenses would be cut down.

● (1800)

The second point in a real anti-inflation plan has to be the question of getting at interest rates, and this again was mentioned by the Leader of the Opposition in his speeches. Once more, let me assure the House that there are positive ways of getting at this. These figures are not original and they are not precise, but they are accurate. If you buy a house or a new home today, and take out a $50,000 mortgage, and that is not unusual in our big cities, at 12 per cent for 30 years, before you finish paying for that home you will have paid out over $200,000. You will have paid $150,000 interest on a $50,000 home.

I have already said in this House that in the way we are presently financing the oil sands development in Alberta, with the federal government, the Ontario government, and the Alberta government participating with private industry, it is costing $11 a barrel to produce the oil. If we adopted the old fashioned method of financing, going back thousands of years, we could reduce that cost of oil to $3 a barrel. About $8 per barrel goes in interest, adding to the cost of the consumer and forcing the workingman to go out on strike for higher wages in order to meet all these costs.

If we want lower interest rates surely there is someone on the government side who can figure out a way of speeding up the payment for a house mortgage. If a person were to pay that $50,000 mortgage in ten years his interest

would not be $150,000, but would be $27,000. Surely there must be somebody on the government benches who has the muscle and the will to talk with civil servants and say he wants a housing program that cuts these costs to the people who want to buy homes. Surely there is a way of cutting these interest costs.

If we can cut these costs down to the point where a person is given an incentive to pay off the mortgage quickly, then he will get his house for $77,000 in ten years and would be saving himself $123,000. You would have a double advantage because the money would be turning over faster and faster and the velocity of capital flow would be improved, thus in turn decreasing interest rates.

If we are short of capital for all these things we want today we can get it in two ways—one is to save more money, and the other is to speed up capital flow. If you speed up capital flow three times this is the same as tripling the money supply, and if you triple your money supply you decrease interest rates. If the government does not have anyone on its side who knows how to do this I can tell you that there are plenty on this side who do. We regret that we have to sit here in the opposition another four years waiting for those unscrupulous people, who will adopt any issue to win an election, to come up with these ideas to help the people of this country.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): The third point in this battle against inflation is money supply, and this has been dealt with by the hon. member for York-Simcoe (Mr. Stevens). I will not bother once again with decimal point accuracy, but will just give the rough figures.

During the years when Mr. Pearson was Prime Minister the money supply increased from $13 billion under the previous administration to $18 billion. We had inflation rising from 1½ per cent to 3 per cent. During the years of the present administration the money supply has reached $65 billion, and has been held there for the last few months. Surely with all the evidence of the co-relation between increasing money supply and rising inflation there must be some awareness on the part of the treasury benches that there must be a responsibility on those people elected by the people of Canada to give directions to the Bank of Canada.

Obviously we need a formula based on the gross national product to make sure there is no shortage of money for legitimate growth, but we also need a formula that includes a factor to cover the velocity of money flow, something which is missing from any type of formula the Bank of Canada has used in the last 30 years.

This is not the type of thing that you discuss in detail in the House of Commons, but it is the type of thing a responsible government should be directing the bank of Canada to carry out, and that is, stopping this business of flooding the country with money and raising interest rates at the same time. There has to be a positive policy in respect of money supply. It does not have as much effect as people think, but it is a requirement.

The fourth point in this positive program is the matter of land costs. I do not think the people in cities have to look any further than areas within 20 or 30 miles of those cities to see what the basic inflationary force has been. If you go back to the year 1955 you will see that the value of land around Montreal, Toronto, and Vancouver was not too different from what it was 20 years before, but in the last 20 years that land value has escalated beyond all comprehension. This land value escalation has added to the cost of homes, even before inflation hit building costs.

Say that in the Toronto area the average worker's small home cost $19,000 in 1964, just at the beginning of land cost increases. In 1974 the average cost was $57,000, approximately a 300 per cent increase in a decade in the cost of purchasing a home in the Toronto area. Since then other cities have risen to challenge Toronto in this regard.

If the government wants to do anything to reduce the most oppressive costs to city people it should first take these programs which it has now under the CMHC Act, the National Housing Act, and other statutes, and hit these programs on the nose interestwise, not tomorrow but now. What has happened in the last ten or 15 years I think will continue to be the cost-push plight of our economy for many years to come. This has to be stopped and corrected, and the provinces have to be participants in this. If we are going to help city people get their basic costs down, that must be one of the main thrusts.

The fifth point in this program is a sensitive one, and one in which the NDP will be interested. At this point in time it is popular in Canada to say that the number one person who should be blamed for inflation is the labouring man. I do not accept that. With rising land costs the labouring man is forced to get more money, and has had no choice but to go to his union leaders and say, "Now, look, we do not want 30-cents an hour increase, we want $1.30 an hour to catch up". Generally speaking, the labouring man is not the primary cause of inflation. He is fifth in the line.

The labouring man in trying to catch up was doing what every other group was trying to do. What went wrong, of course, was that when the labouring man caught up on a 2-year contract he got behind again, so the smart labour leaders began to say, "Back me and I will get you ahead". So we have, in addition to the catch-up procedures by labour, the get-ahead concept, and to that degree I agree with the general public that labour leaders have to be held responsible.

These leaders were doing this because of increased government costs, higher taxes, increased land costs, rising interest rates and everything else. Labour is not the only partner to inflation. We all know that, and I object very strongly to any attempt to single out one single group as being at fault. We cannot fault any single group, big business or big labour, for trying to get ahead of the game rather than just trying to catch up. I point out also that I do not believe we will solve this problem of inflation by confrontation with any group, business or labour.

We must face the fact that our technique of collective bargaining which ends up as a confrontation technique is costing labour, management, and the consumer dearly. We all suffer.

● (1810)

We had a debate here in the fall of 1974 concerning strikes on the west coast. Why has there not been any noise

about the west coast this year? It seemed that there had been one strike after another on the west coast, and then it was very quiet. I know the reason, and I hope the whole country knows the reason. The men who work and the men who administer business out there have become sick and tired of their both losing money because of these constant confrontations and strikes. They are trying to find a way out of it. The key way is through productivity in which labour shares the advantage with management, productivity in respect of which the consumer does not suffer. Productivity is one of the main ways to attack inflation.

If we were to chart the productivity of our country and the country to our south, the United States, we would find that our productivity has fallen off in the last two years in a steady downward curve while the Americans are fighting their way out of inflation not with controls but by an upward productivity trend in the economy. They are coming out of their situation. There is some hesitation involved in the process, but they are coming out of it. I say so far as this party is concerned we do not believe in confrontation between labour and management. We believe in the common-sense approach of finding out what the situation is in each particular case, and by using the device of productivity with security of tenure for the working man, portability of his pension so that he may move around, portability of insurance rights, and more particularly participation in the decisions, we are prepared to put forward a positive program to achieve non-confrontation in the labour field.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I am glad even at this late stage in the debate to have an opportunity to speak against the third reading of this so-called anti-inflation bill. I do not want to repeat the reasons already advanced. My colleagues and others in this House have made very clear in their views, which I share, that the provisions of this bill are unfair and inequitable.

The government can send squads of ministers across Canada asking for consensus, but until they are able to show in detail that the control over prices is as firm and as effective as control over wages and salaries, there is no way in which they can secure support. I do not at all mean to suggest that inflation is not an extremely serious evil. Nor do I wish to imply that the government ought to have taken no action. The fact of the matter is that the action which it has taken is ineffective and unjust, and is therefore worse than useless.

I wish to concentrate on some of the questions which have not been developed very much during this debate. First, in my view this bill is a negation of parliamentary democracy. It signals the abdication of parliament. I know of course that in many modern democracies the handing over of power to the executive by the elected parliament has proceeded apace, but I venture to say that never before has this process reached such an overwhelming and absolute degree.

What does the legislation say? In effect it says that the cabinet or the governor in council has unlimited power to make, reverse, or revoke the guidelines affecting wages, salaries, incomes, profits, prices both public and private, and affecting individuals and corporate business. I say that such a power handed over to the cabinet in effect means that parliament will not have and does not have any effective control over the legislative process.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

I have re-read the bill very carefully and it would seem that there is no attempt to limit or circumscribe in any way the content of the guidelines. Indeed machinery is set up for the Anti-Inflation Board, the administrator, and the appeal tribunal—and I shall want to speak some more about this later—including penalties of $10,000 or two years, or both on summary conviction, and not less than $10,000 or five years' imprisonment when the offence is tried as an indictable offence.

What are the offences? No one knows. Largely they are put forward in the vague form of failure to comply with the act and, presumably, the controls. What are the offences under the guidelines? Who knows? We have never been told. We are to provide penalties, but basically they are for offences which are indefinite, the content of which we have never been advised.

I appreciate that government supporters have little option but to support this legislation. I appreciate also that this amorphous piece of legislation is such that it cannot be rationally amended by parliament, although I always thought it was the duty of parliament to amend something that cannot be gotten hold of in any other way. I know the private members on the government side have no power, authority, or position other than just to go ahead and kindly support the bill. We say all the more blame falls on the government for placing these members in the position of emasculating if not destroying parliament. I say that feature alone would be enough reason to oppose this bill vigorously.

The next point I want to make has to do with the constitution. That was referred to by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), and also earlier by the right hon. member for Prince Albert (Mr. Diefenbaker). This matter has received very little discussion. I want to protest that a bill of such importance in dealing with our fundamental law and constitution, which in effect provides for widespread invasion of provincial rights, should be brought forward here and brushed aside so far as the constitutional argument is concerned.

What are we told? I think the Minister of Justice (Mr. Basford) in answer to a question said that someone in the Department of Justice gave an opinion. We do not know who the person was, or his reasons. We have one of the greatest constitutional issues ever to come before parliament and the courts which is brushed aside because some anonymous official has said it is all right and that we should not ask questions about it. I think that is a shameful failure to pay any attention to the constitution which, after all, is the very basis for our existence as a country.

Let no one say it is clear or obvious that parliament has the right to step in and regulate prices, wages, salaries, profits, and all these things without any relation whatever to those things which normally have been regarded as within provincial constitutional power. I know this House does not appreciate a lecture on the subject of the constitution. It would probably be very good for some members to have such a lecture, but I do not intend to give it at this time.

● (1820)

I will tell the House, and perhaps it is immodest for me to do so, that I argued two cases in the Judicial Committee of the Privy Council which involved constitutional issues. I argued dozens of cases in the Supreme Court of Canada on constitutional issues, and many cases in the Ontario Court of Appeal, and during that process I learned a little bit about the constitution. Now I want to say that this particular issue is one that is not clear one way or the other. Many authorities dealing with this matter could argue that legislation of this sort comes under trade and commerce, section 91(2) of the British North America Act. I do believe this legislation goes far beyond any normal regulation of trade and commerce.

It is suggested that it may be justified as an emergency. I am far from saying that inflation might not reach a state of emergency which would justify emergency action, but what do we have? We have the government itself, in the preamble—which is always looked at by the courts to determine the real basis and substance of the legislation—making no reference to an emergency, either in precise terms or in its content. It is merely stated in a mild way that inflation is contrary to the interests of all Canadians, and that containment and reduction of inflation have become a matter of serious national concern. I say to the House that this sort of preamble has been treated in the courts as not justifying emergency action whereby the normal rights of the provinces are disregarded and set aside.

If the government really thought this was an emergency or anything like that, why did it not say so instead of using this language? I do not know whether it is ignorance, indifference, or contempt for the constitution—probably all three of them rolled into one.

I do not think it is a joke when parliament is invited by the government to evade the division of powers contained in sections 91 and 92 of the BNA Act, and then is told that some official in the Department of Justice says, "It is all right; we do not want you to bother about it." So much for the constitution, but I prophesy that this issue will rise up to smite the government eventually, probably after a long period of confusion.

Certainly if any client came to me very upset about the application of some of the powers under the act and wanted to go to the courts, I would be bound to tell him that I thought he had a real chance of winning the case and disrupting the whole administration of the act.

I want to deal with one other reason why I think this bill is most unsatisfactory and should not be accepted. I believe that it will provide for absolutely chaotic administration. What do we have? We have a whole series of boards under this bill. For example, the Anti-Inflation Board is not given the power to do anything very much except to monitor, to report, and to refer. It does not seem to want to confine itself to that. Certainly it has been issuing edicts, as it were, the authority for which is extremely dubious.

If we look at clause 12 of the bill we find little in there that gives any real power to the Anti-Inflation Board other than to make inquiries, monitor changes, and so on. After that inquiry has been gone through by the Anti-Inflation Board, we come to the administrator who is given full authority to enforce the act. However, he can only act when the Anti-Inflation Board or the governor in council advises him that there are reasonable grounds for believing that a supplier has contravened, or is likely to contravene the guidelines. Then the administrator has to make all the necessary inquiries and carry out hearings to determine what action, if any, could be taken. When he is through, there is an appeal to the Anti-Inflation Appeal Tribunal, and as if that were not enough, there is a further appeal to the federal court of appeal, a hierarchy of appeals which will lead to delay, confusion and, I prophesy, absolute chaos in the administration of this legislation.

We have heard enough about it already to know that chaos and confusion are growing. People are puzzled, to put it mildly, about the complexity of the guidelines. We do not know what legislation we are really passing, but we do know that almost absolute powers are conveyed to the governor in council, and that the government has not seen fit to refer the constitutionality of the legislation to the courts; and we know that on the face of it the administration, as I said, is likely to be chaotic.

For these reasons, as well as many others about the inequity and unfairness of this piece of legislation, I must declare myself to be against the bill. It is so framed as to invite the abdication of parliament, an invitation which of course will be accepted on the government side. No attempt has been made by the government to deal with the constitutional difficulties, and a chaotic administration is in prospect. For these reasons I think the right thing for us to do is to throw this bill out.

Some hon. Members: Six-thirty, Mr. Speaker.

The Acting Speaker (Mr. Turner (London East)): It being 6.30 p.m., pursuant to the order made on Wednesday, November 5, 1975, I do now leave the chair until eight this evening.

AFTER RECESS

The House resumed at 8 p.m.

● (2010)

ROYAL ASSENT

[*Translation*]

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

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honorable House in the chamber of the honorable the Senate.

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

Anti-Inflation Act

● (2020)

[*English*]

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-65, an act to amend the statute law relating to income tax, (No. 2)—Chapter No. 71.

Bill C-25, an act to protect human health and the environment from substances that contaminate the environment—Chapter No. 72

Bill C-23, an act to provide for the payment of superannuation benefits to Lieutenant Governors— Chapter No. 73.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the third time and do pass.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, the government is in the process of trying to get Bill C-73 through third reading. I cannot say that I wish the government well or good luck with it. As we have said before, and I repeat again tonight, the bill is unfair, inequitable, and unjust. The Minister of Finance (Mr. Macdonald) has heard the words so often they must haunt him at night. I hope they do.

I look at this as not only an economic War Measures Act but as a sort of ledger. On the debit side of the ledger are those who will be hurt most by this program. That is the majority of people in Canada. They are the ones who will be affected and the ones who will be ignored.

On the debit side of the ledger will be the pensioners and others on fixed income. Several times government spokesmen have said that the escalator will look after them. It will not. Even if it did, the basic pension is still insufficient.

On the debit side there are also those on minimum wages. Already one provincial government has tried to chisel, in the name of following the government's guidelines, on how much of an increase there is going to be in the minimum wage. Then there are the unorganized workers. At least two thirds, or 70 per cent, of the work force in Canada do not belong to a union. They do not have anyone to bargain for them. The government says that they can stay within the guidelines and get an increase of 10 per cent. This could be $600. If they happen to be highly paid, unorganized workers, they could get $2,400. I have not heard the government say that the Anti-Inflation Board will order employers of unorganized workers to guarantee them the $600. What they get will be that, or somewhat less.

[The Acting Speaker (Mr. Turner (London East)).]

The Anti-Inflation Board and the government's guidelines will discriminate against wage and salary earners, including unorganized workers and those who have been on a contract for the past one, two, or three years and are now negotiating a new one. These people have fallen behind. The board will only go through the motions of examining their case.

● (2030)

On the debit side of the ledger we find some 75 per cent or 80 per cent of the population who will be asked to carry the burden of this program on their shoulders.

On the credit side, we in our party, and I take it now those in the official opposition are waiting to hear what the government intends to do regarding profits, professional fees, and interest rates, measures which will affect those who are in the higher income brackets and represent only about 20 per cent of the population. But we have yet to hear anything from the government to illustrate that it can and will devise means to impose restraint on the people who occupy the credit side of the ledger. It has presented nothing to the House to illustrate the way in which it intends to enforce controls on the people who really cause inflation.

I listened with a feeling of nausea to the Prime Minister (Mr. Trudeau) and others in the government complaining about people who insist on extracting more from the economy than they put into it. I should like anyone in this chamber to tell me or anyone else that a person who is on the minimum wage is taking more out of the economy than he is putting into it. Are we really expected to believe that such people as these are causing inflation? If the government was genuine about this program it would take steps immediately to raise the minimum wage to $3.50 an hour and would be asking the provinces to do the same.

The people on minimum wages are not the ones who cause inflation; I am sure the Minister of Finance would not suggest that they are for one minute. People in receipt of pensions are not the ones who cause inflation. People earning wages or salaries of less than $12,000 a year are not the ones who cause inflation.

When will the government learn that if you are going to fight inflation you must begin with the ones who cause inflation? You start at the top. You start with the high salaries, you start with dividends and professional fees which flow to the 20 per cent of the population who not only possess economic powers but seem to exercise political power altogether out of proportion to their numbers.

I would be one of the first to support a government of any political stripe in a fight against inflation if it attacked those who do in fact cause inflation. I cannot countenance a program which instead attacks only those who have no part in the cause of inflation, those who are its first victims, that is to say, people on low wages, pensioners, the majority of our citizens. I question the sincerity of a government which brings in a guidelines program requiring people who are on the lowest income scales to be in the forefront of the battle against inflation, to be the ones who man the barricades and go over the top in the charge against the spiral of rising prices.

What about the privileged, those who derive the benefit of dividends, high interest rates, corporate profits and

professional fees? They are encouraging the government to do something about inflation. Of course the government brings in a program which does not particularly affect those who cause inflation.

Various voices were raised reminding the government that these are difficult times, that there was a rapid increase in the price of many products. Double-digit inflation, and so forth, led to demands that the government should do something about the situation—that it should take control over the economy, intervene in the economic field, and so on. I find this very interesting because, by and large, almost without exception those who have been most vocal and persistent in demanding that the government step in and impose controls are those who traditionally have been opposed to government intervention, namely, the business people, the free enterprisers, the capitalists.

Judging by press reports of the Prime Minister's speech in Assiniboia, Saskatchewan, the controls now being introduced by the government have been well received by the farmers, people who are often said to be the most independent in the country. I shall have more to say about that aspect in a few minutes.

What I find interesting is the fact that controls should have been advocated by the Conservatives and are being imposed by the Liberals, the two free-enterprise parties which have traditionally warned Canadians not to vote for the New Democratic Party because the NDP-ers would impose socialist controls. Mr. Speaker, if these controls resembled socialist controls there would be little or no work for me or anybody else in our group. Nevertheless, they are controls, and here are the free enterprise parties imposing them after screaming about socialists threatening to do so. One of those parties came out in 1974 in favour of a price freeze and certain controls. The other party said such a program would not work, that it couldn't be done. Now, in December, 1975, we find the Liberals and Conservatives have both made a 180 degree turn. I suppose that is to avoid a collision in the middle of the road.

I have a great deal of respect and regard for the Leader of the Official Opposition (Mr. Stanfield). He is one who has been consistent, honest, and straightforward. In fact I would be more comfortable living under some kind of control and restraint program if he were the prime minister. But he failed to make it. The fellow who told the Canadian people that controls would not work and couldn't be put into effect is the fellow who is now Prime Minister and pushing this bill through parliament.

As the premier of British Columbia said, these free enterprise parties get me all mixed up. These are the ones who said, "Don't vote for the NDP because they will bring in socialist controls; they will intervene in the sphere of private enterprise." Yet who are the ones who are demanding controls today—the Liberals and Conservatives!

An hon. Member: They are in British Columbia.

Mr. Benjamin: When socialists do it à la British Columbia cries of outrage go up from free enterprisers and the business community. But they are the ones who are supporting the Conservative Party, whatever that means, and demanding that the Government of Canada, which is Liberal, should do something about inflation. That is how I get all mixed up.

An hon. Member: You were born mixed up.

Mr. Benjamin: I can get mixed up all by myself, without any help.

• (2040)

While the government is instituting controls, the Liberals keep saying that they do not like controls but they see no other way out of present difficulties. I remind my hon. friends in the Liberal and Conservative parties that it is this so-called free enterprise system of theirs that got us into these difficulties.

Both of the free enterprise parties say that the controls should only be temporary, the Conservatives preferring a 90 day freeze with limited controls for 18 months, the Liberals saying that the controls should last for two or three years. This raises certain questions. In the first place, what kind of controls can you expect from a government of either party which does not believe in controls? They have both said they do not believe in them, that they do not like them, that they do not want them. How much reliance and trust can the working people of this country, the pensioners, the unorganized workers and so on, place on a government that puts in controls when it does not believe in them?

That is the main reason for skepticism among the Canadian body politic, and particularly among working people, about the so-called anti-inflation program. In my opinion this skepticism is fully warranted. The program proposed is fairly tight and restrictive on wages and salaries but very loose and undefined with respect to everyone else. The program demonstrates more than adequately that the Liberals do not believe in controlling the economy. They are willing to control salaries and wages, but little else.

In fact I have even heard of inquiries made of the Department of National Revenue and the Anti-Inflation Board by ladies of the night across Canada, who are wondering whether the wage restraints apply to them and, if they do, whether they are O.K. under the productivity guidelines. If those particular ladies are free to increase their productivity but not their fees they will be very relieved, just as the business community and other professionals are relieved under the program.

The second question is: what is to happen after the controls are lifted? I have not heard anything from the Minister of Finance on that. Are we going back to a free-for-all and another round of inflation? If so, what is the purpose of the so-called temporary controls? What grounds are there for believing that the root cause of inflation will have disappeared by 1978 if the control package deals with symptoms only?

When the Prime Minister announced the program at Thanksgiving, which is when the supermarket boys ran around stamping their cans and cartons giving thanks, he said that inflation could not be licked—though he told us it was licked back in 1969 and 1970—unless and until there was a basic change in the attitude of the Canadian people. He blamed inflation on the psychology of rising expectations, among many other causes, and indicated that this psychology somehow had to be broken.

Who is responsible for these rising expectations? How can the attitude of the Canadian people be changed? The Prime Minister did not illustrate how that could be done. Some have suggested—particularly business people like to say this—that governments are to blame for rising expectations, and that government spending is to blame for inflation. I listen to my hon. friends in the official opposition raving and ranting about government expenditure, but other than list a few picayune items I have yet to hear how they would reduce government spending by any significant amount. I would be very interested to hear what government spending they would reduce, where, and by how much. I will accept their argument with a great deal more credulity if one of that party gets up as soon as I am through and gives me a list, chapter and verse, of what, where, and how much government spending they would reduce. Until I hear that from the official opposition, all their so-called talk of cutting down government expenditure is so much fluff and window dressing.

Let me make reference to one of the provinces of this country. I would be interested to hear how much the Conservatives would reduce spending in the province of Manitoba, which has a $1 billion budget. Some $600 million of that $1 billion budget is taken up with colleges, universities, education, health and social development. Another $100 million is taken care of by the property tax credit plan, and cost of living tax credits, and municipal grants.

Some hon. Members: Oh, oh!

Mr. Benjamin: I hope the hon. member for Provencher (Mr. Epp) is making some notes and that his speech will follow right after mine as I said, another $100 million is taken care of by three items—the property tax credits, the cost of living tax credits, and grants to municipalities. That leaves $300 million to run all the other departments and programs in the province.

It is obvious that if the government is to effect big savings in one province, these savings have to come out of expensive services like education and health care. Are my hon. friends in the Conservative party suggesting that we cut expenditure on social services, hospitals, medical care, old age pensioners, veteran pensioners and so on? If so, I wish they would say so. Or if they want to make drastic reductions in government spending out of the remaining one quarter to one third of the total budgets of each province, I should like them to be explicit and tell me. If they are correct and if I could agree with where they will chop these savings off, I could even be persuaded to support their ideas about fighting inflation. It is equally obvious, Madam Speaker, that this cannot be done.

The Acting Speaker (Mrs. Morin): Is the hon. member for Provencher (Mr. Epp) rising to ask a question?

Mr. Epp: If the hon. member will allow.

Mr. Broadbent: Another candidate for the leadership.

The Acting Speaker (Mrs. Morin): Will the hon. member allow a question?

Mr. Benjamin: Sure.

Mr. Epp: I wonder whether the hon. member could indicate, with all these great things that are being given to the residents of this socialist paradise, formerly known as the province of Manitoba, why we are also fortunate in paying the highest personal income tax in Canada?

Mr. Benjamin: I do not want to argue with my hon. friend. I have not looked at the figures lately but I thought that Saskatchewan and Newfoundland had the highest figures. If Manitoba has moved ahead of Saskatchewan, we will have to try to catch up. In order to do a civilized, decent job of redistributing income in an equitable and fair manner, which my hon. friends in the Conservative party know little or nothing about, I would invite the hon. member for Provencher to tell the House how they would reduce government expenditures by reducing that high personal income tax in Manitoba and also by reducing hospitalization, medical care, car insurance and social services.

Let us examine these rising expectations on which our whole cultural and economic system is built. The theory of competitive economics is based on the assumption that every man, if left to himself, will pursue his self-interest. Expectation of profit is supposed to be the prime motive for free enterprise. North America is supposed to be a land of unlimited opportunity, the bastion of free enterprise where man is supposed to be free to pursue his self-interest, free to pursue profits, where man is free to have the expectation of becoming a millionaire.

The pursuit of profits and the freedom of enterprise are supposed to have made us great technical, organizational, and marketing innovators, and to have given us the highest standard of living in the world. Are we now being told all this is wrong? The Prime Minister has said it is wrong. The Leader of the Opposition has talked about these rising expectations, but we are now told by the free enterprise parties that it is wrong to have rising expectations. These expectations are at the heart of our culture in North America.

● (2050)

If you sit down of an evening to watch television, how many commercials do you see.— 40, 50 or 60? What are you being told? I suggest these commercials are telling us that we can enjoy a sun holiday in Jamaica, the superb services of the Canadian Pacific Airlines, we can grow with the Bank of Nova Scotia, we can buy a new home in one of these high rise engineered home settlement programs, and you do not need cash because all these people will accept Chargex, Mastercharge and American Express.

When we turn on the radio what do we hear? We hear more commercials. If you buy a newspaper you will find that advertising takes up more space than anything else, certainly more space than news, and certainly more than my speech. In short, our radio and television broadcasting system is financed by advertising, just as our newspapers and our magazines depend on advertising.

The Acting Speaker (Mrs. Morin): Order, please. I feel that the hon. member is turning away from Bill C-73. Perhaps he would relate his remarks to the subject matter.

Mr. Benjamin: Madam Speaker, I am glad you got up because I might have missed you. I am talking about the rising expectations and what the Prime Minister has said about the anti-inflation bill, and if you do not mind, Madam Speaker, I will answer him on that.

An hon. Member: You are reading the wrong speech.

Mr. Benjamin: All this advertising has an overriding purpose. It is designed to instil a desire for more products that people will want in order to meet these rising expectations. Great amounts are spent for advertising in order to make these expectations rise.

What does the government do to curb these rising expectations? The government suggests to the people that they should not listen to the commercials and that they should not want those good things that are being advertised. Is that how the government curbs inflation, or does it attempt to do so by controlling wages so the people cannot afford these things? What will dampen their expectations? Will these measures dampen their expectations, or will they just make the people more rebellious?

I agree with the Prime Minister that we need a basic change in attitude in order to solve our economic problems. The whole exercise is futile in my opinion if we continue on our present course, because the inflation the Prime Minister complains about is promoted and advertised, all of which encourages these rising expectations which the Prime Minister claims ought to be dampened in order to fight inflation.

Let me say something about another aspect of this bill, and that is the so-called exemption for farmers and fishermen at the farm gate and at the dock. This is a charade and a window dressing. This is as phony as a $3 bill. It was bad enough to hear the Liberals say that the Conservative exemption for farmers at the farm gate in 1974 was phony, but to see the Liberal government proving itself to be phony is something else again. It is even worse.

I have a document here which I am sure many other members have now, although it is marked confidential. It was issued by the Department of Finance on November 17, 1975. The minister's own officials put in writing how phony this protection at the farm gate and at the dock is. In the first paragraph the minister's officials say in this confidential document, and you can imagine how confidential it is if I have one:

> Farmers and fishermen are exempt from the guidelines, since, as a rule, they are unorganized and have little power in the market.

That is not what Ma Plumptre says about the egg marketing board. According to the officials of the Minister of Finance they have little power in the market. The document goes on to state:

> —the federal government wants to ensure that they operate within the *spirit* of the anti-inflation program.

When I turn over two pages of this interesting little document from the minister's officials I find illustrated four kinds of marketing boards that are apparently to be subject to the application of the guidelines. These kinds of marketing boards, or two of them, are concerned with the handling of chicken broilers, turkeys, eggs, industrial milk, fresh fruits and fresh vegetables, as well as hogs, potatoes, soybeans, corn, tobacco, and fruits and vegetables for processing. This is what the minister's officials say about these marketing boards:

> These boards will have to be reviewed before reaching firm decisions on which ones should be subject to the guidelines and which of their costs should be allowable under the cost-pass-through rule.

The first page of this document says they are exempt from the guidelines, and the third page outlines which ones "should be subject to the guidelines".

In respect of the cost-pass-through rule the Minister of Finance attempted to answer a question I asked in the House the other day, yet the minister in charge of the Canadian Wheat Board had already eliminated three costs of production under the grain stabilization bill.

My friends in the official opposition have talked about this exemption at the farm gate for the farmers and at the docks for the fishermen. I would ask them how they feel now about this program that was to exempt the farmers and fishermen when in fact statements of those leaders of the Anti-Inflation Board, Pepin and Plumptre, and statements in writing by officials of the Minister of Finance, have proven that this is a farce. It is as phony as a $3 bill. Marketing boards will in fact be subject to the guidelines and will be treated the same as wage and salary earners.

The farmers and the fishermen, whether or not they belong to a marketing board or agency that can set or negotiate prices for them, will have to appear and prove to the Anti-Inflation Board that the increase is justified. All this talk about exempting the farmers and the fishermen has gone out the window. I suggest it was out the window the day after the Prime Minister presented this program to the people of Canada.

I am not going to support any program such as this which attacks the wage and salary earners and those people on fixed incomes. I do not intend to support a program which makes liars of the government members. I am not going to be a party to a program that helps make liars of the Liberal government, or helps the members of that government make liars of themselves. Obviously this is the case because they say the farmers and fishermen are exempt, and then in this written document outline which of these marketing boards shall be subject to the guidelines.

I hope I have unlimited time as I want to illustrate what will happen to the primary producers, be they farmers or fishermen, who belong to marketing boards under provincial or federal jurisdiction.

Most provinces have marketing boards in respect of broilers, turkeys, eggs, hogs, milk, fresh vegetables and fruit crops. Since there are import controls on eggs and turkeys the national agencies can theoretically set prices arbitrarily. In practice the egg marketing agency until very recently had great difficulty in maintaining a price that would adequately cover the cost of production. In fact the Farm Products Marketing Council wants officials of CEMA to appear monthly in order to justify the price it sets for eggs.

These agencies have always been under guidelines and controls. Ma Plumptre and Jean-Luc Pepin say that the first outfits they want to look into are the marketing boards, specifically CEMA. If as much pressure had been brought to bear on the banks, the oil companies, the supermarket chains, and the railways as has been put on CEMA

and other marketing boards, I submit the country would be in better shape.

The price of honey is established on international markets so we do not need to worry about that one. Hogs are sold at auction in Ontario using a teletype system. The Hog Marketing Board does not use its price-setting authority, yet the officials of the Minister of Finance say these products will be subject to the guidelines. Fluid milk prices are set by the Milk Control Board after public hearings at which producers and processors have to prove their costs in respect of price increases. In the case of fluid milk this Milk Control Board has had to justify price increases. Those prices had to be justified before the milk control boards in every province. They have been under controls and guidelines for many years, but Mrs. Plumptre and Jean-Luc Pepin say that they will be subject to these new controls. Where is that price at the farm gate principle of the Liberals and the Tories now? There is a matter of industrial milk and vegetables, but I do not think I have time to go into that. I would be glad to make another speech if someone would move an amendment to this bill.

● (2100)

How long can any government exercise control over wages and salaries and not food prices? What is the government going to do about marketing boards? What about the price of milk; what about the price of bread? I say as a warning to my friends in the official opposition that the longer and the more strictly wages and salaries are controlled, the more insistent the demand will become for stringent controls on food prices. I cannot see any government of any political stripe ingoring those demands.

If the farmers and the businessmen think wages have gone out of sight, let us look at food prices. The prices the farmers are getting are prices they should have been getting years ago. They have been the victims of a cheap food policy in this country for decades. We have lost 300,000 family farm units in this country since the Second World War. Again I will use Manitoba as an example for the benefit of my hon. friend from Provencher.

The average industrial wage in Manitoba from 1972 to 1975 increased by 30 per cent. The price of eggs went up 50 per cent, turkeys 37 per cent, broiler chickens 80 per cent, shoulder roasts 181 per cent, pork chops 63 per cent, and bacon 158 per cent. Is my hon. friend from Provencher, or anyone else in the official opposition, going to say that wages are too high in the face of the food increases? This situation exists in every province in Canada. The price of sirloin steak and prime rib roast went up by 73 per cent and 44 per cent respectively, while industrial wages rose by 30 per cent. As a representative of several thousand farmers and people who live on farms I say it is easy to see why the consumers are becoming upset and downright angry when their wages are to be controlled and the price of food is to be left free.

What has happened? Under this legislation we have the same old dividing game. We have the farmers and workers with controlled wages and salaries and farm prices. The farmers are told they are exempt, but under the way in which they are subject to the guidelines, the marketing boards that they have fought for over decades are in jeopardy and are being investigated, while those who

cause inflation, the people who benefit from the difference in price between what the farmers receive and the cost of the products to consumers, are not controlled. I refer to the processors, the transporters, the wholesalers, and the retailers. The controls are not spelled out for these people. They can take all they can get.

The primary producer and the wage and salary earners are being told, and in fact required under this legislation, to fight inflation. Those who may profit whether because of interest rates, corporate profits, dividends, or professional fees can get around the controls. I will not be a party to the support of legislation of this kind. The members of the official opposition have all caved in. I would like to know why they have chickened out.

Earlier the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) talked a good fight, but now they have all caved in. It is no wonder the voters of Canada chose not to put them in power. I hope my hon. friends to the right will get up and take a further part in this debate. However, I suppose they will just sit there. If my time has expired I hope my friends will say I can have some more time. I am very serious about this.

I want members of the official opposition to stand up and help us fight this legislation. I would be interested in hearing their explanation of how they would exempt farm products at the farm gate. I would also be interested in hearing how they would control profits, interest rates, and prices. It might be helpful if the government would reject this legislation and take it back to the drafting board. Obviously the officials wrote it out on the back of an envelope before Thanksgiving. I make no apology if some government members should accuse me of being unpatriotic, but I will encourage all the people in my area not to co-operate in respect of this legislation because it is unfair.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member's time has expired.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, I waited in vain for all those who are responsible for the noise on my right to join in the debate and offer a little light to the heat they have been making. I see that none of them are prepared to participate. I find this unfortunate, just marginally more unfortunate than the fact that none of the government members want to participate in this debate on legislation which is without doubt in terms of economic policy the most important legislation that has been before this House since World War II. The Leader of the Conservative Party (Mr. Stanfield) said something to this effect in the House not long ago.

If you look at the news over the past few days, Madam Speaker, you can see both the importance of this legislation and its inadequacies. On the one hand we have had reports from the banking industry in Canada whose profits for the third quarter of this year are up 87½ per cent compared to last year. That simply builds upon the profits the banking industry has made in Canada each and every year for the past five years, which sets an almost all-time record in the history of this country. There is absolutely nothing in the bill introduced by the government that will affect the profit levels of the banks one iota. That news came today.

● (2110)

An hon. Member: That is untrue.

Mr. Broadbent: I say to the hon. member: make your speech and defend it, because the Minister of Finance (Mr. Macdonald) neither at the report stage nor in this debate has made any attempt to deal with the criticisms that have been made, in terms of technical detail, of the failure of his legislation to cope in an adequate way with the profit levels of corporations—the point has simply been ignored. I urge the hon. member to rise and deal with that and to tell us in detail how bank profits will be dealt with by the government, and to explain why the government arbitrarily sets interest rates in Canada to be always at least 1½ per cent higher than in the United States so that more investment can be lured into this country.

An hon. Member: Get off it.

Mr. Broadbent: Every economist in the country knows it.

What that means is that given that policy, on the one hand of always wanting interest rates to be set arbitrarily at a higher level in Canada—and it is known as the "dirty float" which no one in this government admits—no matter what the profits of the banks are in terms of the guidelines legislation, and on the other hand the policy of the government to lure foreign investment into the country, the effect of which is to keep the Canadian dollar up, the banks in this country under this legislation will be permitted to maintain their excessive profit levels. I should like the Minister of Finance to deal with that question. Will he allow interest rates to get to their normal market level in Canada? If, so then perhaps some of the loopholes in the legislation might be dealt with and the profit levels held down.

I know, and everyone else knows who is aware of the financial policy of this government, that it will keep the interest rates high, which means it will keep the bank profit rates abnormally high. I say that that is a scandal in Canada when year after year for the past five years we have been unable to get investment in the housing sector of the kind that we require. This cabinet which acts on behalf of the banks sits back with its hands off, and lets the banking industry go on its merry way.

An hon. Member: Oh yeah!

Mr. Broadbent: I hear the usual "yeahs" from the Liberal backbenchers. I would like to see them get up and deal with the argument in substance. It is conceivable that my argument might be wrong, I will concede that, but let them deal with the argument.

We say that the only way you can deal with that kind of situation is to change the Bank Act, to change back to principle on which it was based less than a decade ago when certain interest rates were decided by the political process for certain sectors of the economy, and when it was decided that mortgage rates were not to be considered in principle as the means for trips to Bermuda, for investing in shopping centres or for other kinds of investment, but that housing was a social necessity and there should be a radical distinction between investment in the housing sector and investment in other sectors.

It is the Liberals who changed the Bank Act in the last decade, and they do not intend to make that kind of distinction. As long as they do not, I do not care what the wishes of the Minister of State for Urban Affairs (Mr. Danson) are, and I say we will not get money into housing in this country regardless of the fact that some 20 per cent of people in our country live in substandard housing and in grotesque conditions. I refer to the particular circumstances of the people of Montreal and of the people of the province of Quebec who are involved in expenditures of hundreds of millions of dollars in the Olympic village when a high percentage of the population in that city live in slums. I say that it is a national disgrace, and one of the ways of dealing with it would be to change the Bank Act and to get tough with those who control our investment in that sector to make sure that we get the money we need.

However, we do not propose to do that in this legislation, and that has a direct bearing on inflation. The major failing of the government in terms of its whole approach to inflation has been to treat the symptoms instead of the cause. It has said that these are increasing prices in the economy, that there is inflation, but what it has not done is to produce a program which will increase supply in the crucial sectors to bring down the prices. To act in that way would require government planning of significant proportions to make sure that investment in our economy goes where it should go.

A conventional stupidity argued for by the government and, if I may say so in this context, also by the opposition, is that government spending is somehow bad and inflationary. The west Germans do not agree with that, the Swedes do not agree with that, and certain American economists do not agree with that. Spending in the government sector need not be in principle any more or less inflationary than spending in the private sector. If we allow private investors, as we do now in Canada, to put up unneeded office buildings in Toronto, Vancouver, Halifax and Montreal, that puts an increase on the demand for labour and materials which adds inflation to the economy. The NDP says that such building at this time should be stopped. That would require some direction, some planning in the economy. We would allocate investment priorities to housing. We would say: cool off the economy and the excessive supply in office building and other unneeded investments, and direct investments to where they are needed, both in social terms and in terms of inflation.

If we increase government spending and by government legislation direct banks to put up capital in the housing sector, that would bring down inflation in the housing sector, and by circulating private spending in office buildings, pressure would be eased on the inflation level. I say that that issue is still profoundly misunderstood by the government or, if understood, at least is cynically ignored—that is the view that somehow government spending is bad and any kind of private spending is good.

We in this party say that the way to deal with inflation has not been the route taken by the Liberals in terms of this program, which is a phoney program aimed at symptoms, a program which does not deal with the real causes. The real cause of inflation in the Canadian economy is

different from inflation in other economies in the western world.

Each one has been experiencing inflation, and a good part of the reason has been common—I will concede that—namely, the world increase in prices of energy. That has been the common fact that all countries in the west experience. But other factors make Canada different, in terms of our ability to cope with that cause, because we are energy sufficient, if we plan and use that resource in a sensible way.

We say in that respect that we should keep our petroleum prices down to below world price levels. There is no reason why Canadians should pay world price levels for our own energy resource. That way we would deal significantly with inflation in our economy in that sector, in a way that Japan, Great Britain, West Germany or other countries in western Europe have not been able to deal with it because they do not have the petroleum resource we possess. There is that difference, and if the government had the guts or the determination to deal with the oil industry, then we could have had a different effect in terms of inflation in that sector in our country. The New Democratic Party says that the way to deal with the petroleum sector is to take it over.

● (2120)

An hon. Member: Oh!

Mr. Broadbent: An hon. member opposite says oh! Well, that is too bad. Mr. Blakeney, the premier of Saskatchewan, is moving in on asbestos and saying—

Mr. Korchinski: Since when?

Mr. Broadbent: I am sorry. I meant potash. He has recognized that this is a major natural resource which belongs to the people of this province. It has real potential in terms of increasing markets, and therefore profits for the country or the province. He has asked why this should be left to multinational corporations to reap their benefits abroad. He is serving notice that he will take over that industry.

Mr. Korchinski: Eight of the ten companies have lost money. Look up your records.

Mr. Broadbent: I want to assure the hon. member that if he looks at the profits of the potash industry in the next decade, they are going to come to the province of Saskatchewan.

Mr. Korchinski: Oh, in the next decade?

Mr. Broadbent: The point I want to make is that we should be doing on a national basis what Mr. Blakeney is doing in Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Broadbent: We should be taking over the petroleum industry, but the Liberals are far behind. It can be done in Venezuela, Mexico, in the Middle East, and in every other bloody country in the world, but the Liberals will still sell out to multinational corporations. We say that it is time that even the Liberal party should recognize that so-called private enterprise parties in others parts of the world have finally said that the natural resources of their countries belong to the people of their countries.

If we had acted in that respect in this country, not only because of the potential of getting secondary industry in the petroleum sector but in terms of dealing with prices, with which the government is ostensibly concerned in an inflation economy, it would have been a major or practical step, but the government refused to do it.

Some hon. Members: Question.

Mr. Broadbent: I have already mentioned housing. The government could deal with that, but it would have to take tough action with the banks, so we are not going to have anything but the fiddling around which the Minister of State for Urban Affairs is going to be doing in the next few weeks with regard to housing. We will not get the capital we need going into housing. The government will not deal with the banks or the petroleum industry, so we have inflation in those sectors and will continue to have inflation regardless of this bill. When the vote comes, as it will come, there will be no effect on those sectors because the government has no program to increase supply.

In some speeches back in the 1974 election campaign the Prime Minister used to talk about increasing supply. That was when the Liberals at least had some kind of intellectual consistency. They recognized that the way to deal with inflation, then as now, was to take major steps to increase supply. However, perhaps they recognize that to do so would entail getting tough with their corporate friends, and they refuse to take the appropriate steps. Instead they have singled out the wage and salary earner as the person who is to bear the burden of this program, and I do not know anyone who has argued against that. There is no question that the wage and salary earner will be affected.

What the government said when it brought in the program in its white paper was that it recognized certain injustices would automatically follow if everyone were bound by the 10 per cent to 12 per cent guideline, so the government agreed to recognize historical relationships. I refer the backbenchers of the Liberal Party to page 31 of the white paper. There the exceptions are listed, and in the white paper the government says that if a historical relationship between two groups can be established and that if the group now bargaining, depending on the dates of its contract expiring, and so on, can establish a case, then the phrase used will be that the wage settlement or salary settlement proposed, and recommended by the anti-inflation board, will be to maintain the historical relationship.

The decision handed down by the Anti-Inflation Board last Friday completely contradicted the white paper. The Minister of Finance refused to answer a question on it in the House today, but that is exactly what it did. The Anti-Inflation Board said that it recognized the historical relationship which exists between elementary and secondary school teachers in Toronto. The fact is that for the past 21 years the two groups have had the same salaries. I assume the Liberals can read. To implement the white paper, which they are responsible for writing, the Anti-Inflation Board should at least as a minimum have said that the high school teachers in Toronto were entitled to

the benefits and the salaries the elementary school teachers received.

However, what did the board do? The board said it recognized the relationship, but that the teachers are not going to get the money. What this amounts to is a flat contradiction of the white paper, and I am glad to see that some Liberals are nodding their heads in agreement. I hope they make a speech on that point.

Some hon. Members: Oh, oh!

Mr. Broadbent: Not only does the government bring in an unfair and unworkable program in terms of the white paper, the legislation which followed it and its implementation through the Anti-Inflation Board, but the board also makes decisions which are completely inconsistent with the framework the government itself has established.

The program is bad. I will not repeat arguments I and my colleagues have made about it being unworkable.

An hon. Member: We are tired of it.

Mr. Broadbent: I can see the point. The hon. member says he has heard enough. I am not going to repeat those arguments. I say to the hon. member that just as long as hon. members opposite occupy the other side of the House, unfortunately we will have to continue to repeat the message, and our proposals will not be implemented as long as they are over there.

Mr. Korchinski: He doesn't have a speech. He doesn't know what to say.

Mr. Broadbent: This program is wrong because it is unfair and unworkable for reasons I, and other members of my party, have documented since the bill was first introduced. It is wrong in terms of its own detail, but more important, in terms of the national problem of inflation. It is wrong because it does not address itself in a positive way to bringing forth programs which would deal with housing prices, energy prices, and food prices. It is in these three sectors where inflation has occurred in Canada, and there has been no debate in the House in that regard.

I find it extraordinary that for the whole period of time we have discussed Bill C-73 there has been nothing from the government side to the effect that in the last three years 65 per cent of our inflation has occurred in housing, food costs, and energy. I have not heard hon. members opposite tell us what the government would like to do with regard to those three items. Instead the government brought in a program which is primary in its effects, and every economist says that. It is going to be solely aimed at wage and salary earners. One might say that perhaps wage and salary earners are the problem.

If anything could justify the government's 180 degree about turn since July, 1974, it would be to be able to establish its case that wage and salary increases now are the main culprits in terms of inflation. The fact is that statistics have not been brought forward. The government has produced no evidence to show that wage and salary increases are the cause of inflation. I say it has not because it knows it cannot bring out the evidence. It does not exist.

If you look at the OECD reports or the figures issued by Statistics Canada, wage and salary increases have been running behind the increases in the cost of living. The governor of the Bank of Canada and others have said that, but the minister does not attempt to deal with the argument.

● (2130)

On the other hand in terms of our trade position, that other whipping boy of the government, it says we will price ourselves out of world markets. The evidence does not support the government's case that when compared with other trading nations we are pricing ourselves out of world markets. Our major trading partners have wage and salary increases exceeding those in Canada.

The government cannot justify its program. It bears directly on wage and salary earners, but the evidence in Canada is that wage and salary earners in this country are not having increases disproportionate to those of other trading countries. In terms of domestic inflation, wage and salary earners have been following the increases in the cost of living, principally in food, housing, and energy. They have not caused the increase.

The government brought its program to the people of Canada and I suggest the reason was that just before Thanksgiving Day the former minister of finance decided to pack it all in. God knows his reasons, and I am not going to speculate on them. The people of Canada have been asking for leadership. They have said, "Where is this man who was elected in July, 1974, who said that only the Liberals would provide the leadership?" Even the Liberals, with a majority, began to sense that 99 per cent of the people of Canada were unhappy. It finally got through—from July, 1974, to September, 1975. So the Prime Minister said, "We had better do something. Turner has packed it in and the people are unhappy, so we had better come through with a symbolic act. We cannot do a War Measures Act again because the people of Quebec are not causing the trouble they were five years ago." Even though that was a grotesque injustice then, it had a symbolic flair. So he brought out a program that will not affect corporate decision-making in this country one iota.

He wants the American economy to bail us out. It will take off in the next 12 months and we will get the spin-off effects in employment and inflation. He said, "Let's hook up to a program that will not affect corporate decision-making but will bear directly on wage and salary earners." He made a symbolic appearance on television telling the people it is time to make sacrifices. He thought it really looked as if it had substance to it. In my judgment it is a hoax of a program; it is entirely a political gesture, and apart from the control of wages and salaries it has no economic substance at all. Once again the Liberal party is gambling on the Americans to bail us out.

I want to conclude with one further observation, Mr. Speaker. The major organized opponents of this legislation outside the House of Commons have been the trade union movement. In my view they have been absolutely right in their perspective. The program exempts corporations from any effective control of their prices, and consumers all across the country know this. The unions have been right in saying this. In my opinion they have also been right in

pointing out that they were not going to be the principal people to suffer. They are going to get their 10 per cent or 12 per cent but, Mr. Speaker, they comprise only 35 per cent of the workers in Canada.

An hon. Member: Thirty per cent.

Mr. Broadbent: Someone says 30 per cent. I am not going to quibble on statistics—30 per cent or 35 per cent are in the trade union movement. To their immense credit—and to the disgrace of the press—the trade union movement has singled out the non-trade union workers in this country as being the people who will suffer most. This is what we have been saying too.

The government knows that a report came out last week which shows that 50 per cent of Canadians on pensions live in poverty. Mr. Speaker, 50 per cent of the people in this affluent society who live on pensions live in poverty, and 22 per cent of Canadians in general live in poverty.

The government did nothing about increasing the federal minimum wage. It did nothing about encouraging the provinces to increase their minimum wage.

An hon. Member: Oh, oh!

Mr. Broadbent: Mr. Speaker, it is too bad that *Hansard* cannot record a yawn from Liberal backbenchers. I got the biggest sigh from a Liberal backbencher when I mentioned that most Canadians live in poverty. He knows that the government has a cabinet which is the highest paid in the world. I do not know how many Canadians know that. The Canadian cabinet is the highest paid in the world and its members just gave themselves a very substantial increase. I have not checked this yet, but my guess is that the top 5 per cent of Canadian civil servants are probably the highest paid in the world as well. I have not checked that, but I suspect it is true.

We have a nice little contented elite running this country. It operates on the one hand through the corporate sector and on the other hand through the Liberal Party of Canada. They are so insulated from reality that they can bring in a program like this and have the audacity to say that low income earners in our country can get $600—they raised that. You can now earn $7,500 per year and they will not object. They know full well that there is absolutely no way for unorganized workers in Canada to get that increase.

The Liberals have done nothing for the vast majority of Canadian men and women not in the trade union movement, have done nothing for the pensioners half of whom live in poverty, but have done everything by means of providing loopholes for the corporations, whether they be banks, real estate speculators, food chains, you name it. This is a classic piece of legislation; it favours those who have against those who have not. It is precisely for that reason that we oppose it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this is a very important piece of legislation facing the Canadian people. I have listened with interest to the comments made by the official opposition during the time the bill has been before us, and I have been interested in the comments by Liberal backbenchers at second reading and report stage.

An hon. Member: All two of them.

[Mr. Broadbent.]

Mr. Peters: The comments indicate the weaknesses and the inequities in this legislation as demonstrated by the fact that we are seeing a great deal of trouble developing in a large segment of the population. They were surprised at the difficulties the bill had created. That sums it up fairly well.

● (2140)

A large segment of the population is violently opposed to this bill. Very few think that it will do anything for them. Those I have talked to are either neutral or violently opposed to it. I have not found any in favour of it.

I have read the conclusions in the white paper. It may be a good idea to put two paragraphs on the record so that hon. members, particularly those on the government side, can decide whether this debate is accomplishing any of the aims stated in the conclusions in the white paper. If we have not accomplished all or a large percentage of them, we have failed the Canadian public.

It is true that almost all Canadians welcomed the statement by the Prime Minister (Mr. Trudeau) on Thanksgiving Day. They did so for one reason. He had finally decided to do something about the problem. Everyone is concerned about inflation. Therefore when the Prime Minister said that something would be done about it, good, bad or indifferent, most Canadians were interested.

Since that time Canadians have been listening to radio, watching television, and reading newspaper reports. They have not heard of the Prime Minister explaining any aspects of the bill in this House. However, he has travelled across the country explaining it. He failed in almost every area, even where the audience was loaded, to convince them that he had come anywhere near reaching the aims set out in the conclusions of the White Paper on inflation. Some of those conclusions are worth considering on third reading. I quote from the conclusion in "Attack on Inflation, a Program of National Action":

> As a first essential, it is imperative that we take determined action as a nation to halt and reverse the spiral of costs and prices that jeopardizes the whole fabric of our economy and of our society.

I am sure almost everyone agrees with that. Only a few were of the opinion that we should allow spiralling costs to go unchecked, something that is detrimental to our economy. The reason they were opposed is that they were on a treadmill. Everyone was looking for more income, no matter what sources, because they were having one hell of a time keeping up with the cost of living; society was affected because it had become disproportionate.

As the leader of the New Democratic Party just stated, the poor were becoming poorer. A large percentage were below the poverty line and in no position to do anything about it. I think everyone will agree that the aim in the conclusion was good. However, they will now have to be convinced that we have done something to solve the problem of spiralling prices. We have done something to curtail the ability of a large segment of the population to cope with spiralling costs. While income has been pegged at 10 per cent, the cost of living increase is estimated at 13 per cent. No matter how you look at it, everyone will be going backwards. If you carry this far enough, we will be reaching the point where everyone will be below the poverty

level except those with income other than wages or salaries.

I again refer to the conclusions in the white paper. This bothers me. Obviously it must be the aim of the Prime Minister because this is what he talked about on Thanksgiving evening. I quote:

> This will require the exercise of restraint by every sector and the pursuit of fiscal and monetary policies aimed at ensuring sustained and stable economic growth. Over the longer term we must make our economic system more innovative, dynamic and efficient by reducing existing rigidities and intensifying competition.

That has not been done. Anyone with a new idea, anyone who wants competition or wants to improve their position will be curtailed. That does not apply to companies or those connected with the price structure. It only applies to those receiving wages and salaries. It goes on, and I quote:

> We must deal with major structural problems so as to ensure an adequate supply of energy, food and housing to meet our needs in the years ahead. And finally we must ensure that sufficient physical and financial resources will become available to complete the massive new capital investment that is required over the next decade and more, to increase substantially our productive capacity, employment and our real standard of living.

This bill does not go anywhere near accomplishing that aim. The government is not embarking on any new programs to provide future employment. In fact it is going to curtail some necessary expenditures such as those related to health. The Conservative party, on the other hand, wants to go much further and curtail almost all government expenditures.

The hon. member for Regina-Lake Centre (Mr. Benjamin) pointed out that one province does not have much left after meeting the basic needs of the community. If there is to be any curtailing it will have to be of services provided to those not able to provide for themselves.

There is not one clause in this bill that gives any indication of increased productivity or increased employment. More taxes will be required, not less. Government expenditures will be greater because more people will be unemployed than ever before. If what we want is more unemployment, we are going about it the right way. Money has not been spent in the Department of Labour although four or five competent people are required to learn the art of negotiation in order that industry in this country can be provided with some assistance in connection with negotiations. Mr. Speaker, you must laugh as you look around the House to hear the Minister of Labour (Mr. Munro) answering questions when he is asked what help he is providing to get a resumption of work in the pulp and paper industry.

We are not interested in the constitution as far as the bill before us is concerned. We have probably broken through every possible constitutional barrier. My hon. friend from Greenwood told us tonight he would be quite prepared to take almost any section of this legislation before the Supreme Court and challenge it on constitutional grounds. Yet the Minister of Labour stands up and says he can do nothing about the situation in the pulp and paper industry because it is a provincial matter. It makes no difference that in the bill before us we are asked to give the government power to make decisions which will create serious unemployment in provincial fields.

● (2150)

We are going to see a great deal of unemployment in the educational field, as well as in the civil service in the Province of Ontario, despite the fact the federal government has no jurisdiction, except by permission, over matters affecting education or the public service in Ontario.

I quote again:

> Governments at all levels in Canada can and must provide leadership and direction but they cannot act alone. All sectors of the economy must actively co-operate. This requires the fullest possible discussion and consultation as to how best to achieve our mutual goals.

There is no one in this country who does not agree that this is essential. Yet what co-operation do we find in this House? I am not suggesting that all the wisdom of the country is gathered in this place. Nevertheless I do say that a number of the concrete proposals made to the government in the past few weeks might have been adopted. I was not one who sat on the committee which considered this matter, but I am sure many suggestions were put forward which, had they been adopted, would have made co-operation possible and would have led to more acceptable legislation. As things stand, the bill will likely be passed only after a division; the majority of members on the government side will, no doubt, support it, and the majority of members in the opposition will likely oppose it.

What is the basis for Bill C-73? It is based on the white paper, and the conclusion reached by that white paper was in these terms:

> The attack on inflation . . . was designed to ensure that the recovery of our economy from its present recession leads to healthy and enduring growth in employment and real incomes. These basic objectives are shared by business, labour, governments and indeed by all Canadians. We all have a compelling interest to work together.

There is no one who will disagree with that conclusion either. If we are to be fair, if we are to be reasonable, if we are to act in the interest of the Canadian people, we must provide leadership on two fronts simultaneously: we shall have to reduce the rate at which the cost of living is rising, and, second, we shall have to curtail the rise in unemployment. The bill before us does neither, and if it fails to achieve either of these objectives it seems to me it is not worthy of support and that it will not be supported by the Canadian people.

Where does this show up? It shows up in the reaction of the organized labour movement which has always been proud of the fact that it can look after itself in a free enterprise system. The organized labour movement in Canada is built on the basis of the free enterprise system. It has always been willing to operate within that system. It has done very well, in my opinion, for its membership. Nevertheless a large section of the population is not organized. I refer to those who live on old age pensions, disability pensions, pensions under the Canada Pension Plan and so on. Their incomes must be brought up to a reasonable standard if this legislation is to succeed. Yet nothing has been done in this direction. On the contrary, we heard the Minister of National Health and Welfare (Mr. Lalonde) proposing to cut off a portion of the assistance made available to the provinces to help these underprivileged persons.

People are asking how they are to know that prices are being curtailed. Not long ago I heard a minister being

asked about the price of carrots, whether the price of carrots would be controlled every day. I agree it is not possible to control the price of carrots on a day-to-day basis. If the amount held in storage diminishes, or if it is necessary to import the product from abroad, the price would probably have to go up anyway. But if the price goes up, there has to be some justification for it. The government has said to the householder, "Your wages are to be controlled." But it has failed to assure the housewife that the prices of the products she needs are not going to rise. That is where the bill is defective.

I should like to show the House how little the farmer gets from the commodities the housewife uses, products which are so important to her, and, incidentally, how little the retailer gets out of them. But what a hosing the Canadian people get from the wholesaler, the packers, and the other trades in the middle—people like Kraft who have a monopoly over a large segment of the producing industry. May I call it ten o'clock?

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

REGULATIONS AND OTHER STATUTORY INSTRUMENTS—SIXTH REPORT

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, would the House be good enough to revert to presenting reports from standing or special committees?

The Acting Speaker (Mr. Turner (London East)): Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. McCleave: I thank hon. members for their co-operation. I have the honour to present the sixth report of the Standing Joint Committee on Regulations and Other Statutory Instruments. It is my intention to move concurrence in the report tomorrow afternoon, but before doing so I shall consult with the four House leaders, so anybody with questions can find the answers from their own House leader.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

[Mr. Peters.]

STORMS—REQUEST FOR FEDERAL ASSISTANCE TO THOSE SUFFERING DAMAGE IN LAKE ERIE REGION

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my purpose in rising this evening is to follow up a question I put to the Minister of the Environment (Mrs. Sauvé) on November 17 as reported in *Hansard* at page 9106. It concerned storm damage on the north of Lake Erie. It reads as follows:

I should like to ask the minister whether the government has taken any initiative in approaching the province of Ontario, which is assessing the damage, with a view to declaring the north shore a disaster area in order that individuals, communities and small businesses which have suffered grievous losses will qualify for federal assistance.

● (2200)

The minister replied rather briefly as follows:

Mr. Speaker, the department has not taken the initiative because that initiative should come from the government of the province of Ontario.

In view of the extent of the damage I thought this was rather a brush-off and I wanted more information; hence my appearance here tonight.

It was early in November that a storm of hurricane proportions struck the area, the like of which has seldom been seen before. As a result of wave action, of proportions not seen before either, property damage was sustained. It is a shallow lake and huge waves were hurled against the shoreline. Erosion of farmland occurred as well as destruction of cottages, some of which were a write-off. Breakwalls and breakwaters were washed away. Cemeteries along the shoreline were eroded until the graves themselves were exposed. Roads were washed out and pavement peeled off as one would peel the skin from a potato.

The high water driven up on to the shore by the force of the wind caused a rise of some four to five feet in the waterline, something never before seen. This of course caused flooding along the shoreline, cottages were flooded as well as even permanent homes. Rugs, furniture and so on were damaged, some beyond repair. Marinas were damaged, fishing tugs were lost, and one man's life was lost through this raging storm.

I later contacted the clerks and/or mayors of each municipality in my riding, which has property along the north shore of Lake Erie, to get an estimate from them of the loss sustained during the storm. This was a week or two later when they had had an opportunity to assess the damage. The town of Dunnville felt that the damage would be in excess of $75,000; the town of Haldimand $236,700; the city of Nanticoke $200,000; the township of Delhi $42,000; the township of Norfolk $100,000. This made a total of $653,000. In addition to that, and since I asked my question, there was another violent storm, though not of the same proportions, and the damage increased again. I now estimate the total damage is in the neighbourhood of $800,000.

This of course has pushed the total damage up to an amount that cannot easily be borne by the individuals concerned and/or the communities in the area. My question referred to the possibility of declaring the north shore a disaster area so that the province and the federal government would alike share the assistance provided to these people.

Since that time I do not think I would go so far as to ask that it be declared a disaster area, even though the damage

is extensive, as I have indicated. However, the losses are of such magnitude as to place an undue financial burden on individuals, municipalities, and small businesses, particularly the fishing industry in the area. I talked with the hon. Mr. Bernier, the minister of the environment for the province of Ontario, and his department conducted an aerial survey of the north shore and affirmed that the damage was not quite as extensive as at first thought. The province indicated that it is willing to give some assistance in the form of loans.

What I want to know from the Minister of the Environment or the parliamentary secretary, the hon. member for Gander-Twillingate (Mr. Baker), who I am pleased to see in the House tonight to answer my representation, is in what specific ways the government can assist municipalities or individuals who have suffered. I know he is going to say that in such cases we share alike with the province of Ontario, or whatever is the province involved, but I want to know whether there are any other ways that the federal government can directly help these people. I wonder whether there is any means under ARDA whereby the federal government can assist in this situation. After all, there has been terrific loss of farm land due to the erosive effect of waves along the north shore of Lake Erie.

I should like to refer to one farm at Port Burwell, in one corner of my riding, owned by a Mr. Balther, where not due to this one storm but over a period of years one third of his farm land has been lost. I want to know what it is the federal government is prepared to do to assist people who find themselves in this situation. That is the question I am asking tonight.

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): Mr. Speaker, I can certainly sympathize with the hon. gentleman, coming from a province in which we have disasters quite frequently amounting to the approximate magnitude about which the hon. member was speaking.

The Federal Disaster Assistance Program, as the House is probably aware, is administered by the Minister of Finance (Mr. Macdonald). While the program is not embodied in legislation, it provides for discretionary payments by the federal government to assist the provinces in the event of disasters. Such payments are made only when the provincial expenditure eligible for sharing exceeds $1 per capita and, of course, only after the province has made a request for such assistance. So it would be something like $8 million for the province of Ontario. Unfortunately, eligible costs do not include summer cottages.

In the case of the Lake Erie storm on November 10, 1975, to which the hon. gentleman referred, damages to structures according to our department were in the order of $500,000 but, as the hon. gentleman has pointed out, this has risen to $653,000 and, as he suggests, perhaps goes up to $800,000. The damages were mainly to cottages, some permanent residences, and some private protective structural devices. The hon. member has already elaborated on other things that were damaged. In addition, there was considerable damage in the form of erosion.

As hon. members can appreciate, this falls below the minimum of $1 per capita for Ontario. No request has been received from the government of that province for assistance, obviously because of the formula that is used.

The hon. member asked about other means by which the people affected can get assistance. I obtained this information from the department today and it is something I did not know about previously, though I wish I had known.

The province of Ontario has its own policies in this regard, and there is also the Canadian Disaster Relief Fund which administers funds left over from the Winnipeg flood of the 1950's. I understand that in case of individual relief, payments can be made up to 50 per cent of the family's losses, to a maximum of $2,250 per family. Application for assistance from the fund is usually made, as I am told, by the province after assessment and consolidation of individual claims.

That appears to be the only recourse the hon. gentleman has, and I appreciate his deep concern for the people in that area.

TRANSPORT—FEDERAL-PROVINCIAL STUDY OF ANOTHER TRANSPORTATION LINK BETWEEN NEW BRUNSWICK AND PRINCE EDWARD ISLAND—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, I again wish to raise a question I put to the then minister of transport on July 16 regarding the report of a joint federal-provincial task force concerning another transportation link between New Brunswick and the western part of Prince Edward Island.

This is one of a series of studies that has been received recently. The then minister of transport of course is now the Minister without Portfolio, and we have a new minister who I hope in his zeal to fulfil many of the needs for a transportation policy across Canada will look very seriously at this particular continuing study. Indeed, reviewing the amount of study that has taken place on this subject over the past 30 years, if all studies were laid end to end this would likely be sufficient to bridge the gap between western Prince Edward Island and New Brunswick.

I think it would be acknowledged by all members that there is a basic federal responsibility to ensure a most adequate and up-to-date means of transportation between Prince Edward Island and the mainland.

It is obvious to me as well that there are a number of benefits that would be gained from the establishment of a further ferry link to the western end of Prince Edward Island. One of those was pointed out very clearly in a study done some 12 years ago by the Maritime Transport Commission, in which it is stated:

> It is therefore clear that the underlying factor supporting the proposed service is the "pioneering" or developmental effect it would have on the economy of the W. Prince area.

I think that is still true today. One of the unfortunate facts that exists at the moment is that one of the reports upon which the government may be basing some of its conclusions is a report that seemed to omit almost entirely that particular aspect which I regard as basic. This is the report of the ADI Consultant Group from Fredericton as presented to the minister in June of this year, which supports the call by the West Prince Chamber of Commerce for an independent study. It is no doubt clear that

there are some basic and fundamental studies in respect of Prince Edward Island transportation.

● (2210)

An official connected with provincial and federal parks in Prince Edward Island noted that those in the central part of the province are on the verge of an irreversible deterioration in their physical, asthetic, and social environments as there is need for a very basic program of tourist diversion if the whole industry is not to suffocate. Given the desire of most tourists to go the circle route or to travel end to end in the province, a new ferry on the western end of Prince Edward Island is an integral if not an essential element of the provincial government's policy of balanced tourist development across all of Prince Edward Island. I believe as well that basic industries such as farming and fishing undoubtedly would benefit from the reduced shipping time which is so vital to their interests in terms of moving perishable products during the peak seasons.

Support for a new crossing has come from a variety of sources—the Federation of Mayors and Municipalities, the Chambers of Commerce of Prince Edward Island, and in New Brunswick—the Atlantic Truckers Association as well as most recently the joint federal-provincial Kent County tourism study which was partially funded by the federal government, which said very clearly that the establishment of such ferry service would be extremely feasible.

I think the conclusion was also drawn that it would offer a great deal of benefit to the eastern region of the Kent County area of New Brunswick. This is an increasing development which I think indicates the degree with which we are looking at a transportation development not just for one province but ultimately for two.

Quite frankly, I said at the outset I was disturbed by the quality of one of the studies which is before us at the moment, the ADI study. I think if the federal government or the Department of Transport is relying on this study which has been released recently, which purports to do a cost-benefit analysis of a West Prince Kent County water crossing, I find this to be totally unsatisfactory as the report obviously is inadequate. It suffers from the lack of a very real consideration of the basic elements. In the first instance as much as I was able to determine there was actualy little or no consultation with people in the affected areas, those who stand most to gain or presently to lose by the absence of such a ferry service.

I think, too, the very questionable techniques used in forecasting traffic volume and in sufficiently understanding their potential indicate the superficial aspects of the ADI report. It is obvious that the establishment of new highway routes, especially those now under construction in New Brunswick, should have the effect of considerably improving the time-saving for motorists who are tourists and ultimately those who would be using the crossing to move produce to and from Prince Edward Island. There is an over-all lack of a comprehensive analysis of the effect of the new crossing on the tourist industry and on related factors of the economy.

I believe, as does the West Prince Chamber of Commerce, that there needs to be an independent assessment of this ADI study, and of course some of the previous studies. If we are to rely totally on the narrow and isolated base of the ADI study the new crossing may well appear economically unjustified, but taken in the context of an over-all developmental strategy for Prince Edward Island, as it should, then the new crossing would probably represent a healthy net benefit. I think the same would be true in the development of Kent County.

This I believe is another example of a lack of coming to grips with some of the basic elements involved in a developmental policy. We have had many considerations and studies but much of this has been superficial. There is an obvious need for a commitment to a transportation program aimed at development. At the present time such seems to be virtually non-existent. I hope the Parliamentary Secretary to the Minister of Transport (Mr. Goodale) can assure me there is a more comprehensive report now under way which will soon be presented which will recommend a program of action to establish this badly needed ferry link.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I appreciate very much indeed the comments of my hon. friend from Egmont. I appreciate the manner in which he delivered his remarks this evening on a subject which is important to the particular region of the country from which he comes.

I regret my inability this evening to offer a specific answer and to be able to tell him when precisely a more comprehensive report might be forthcoming on the situation which he described. I have before me now the report of which he was critical, that is the West Prince—Kent County ferry study which was jointly funded by the federal Ministry of Transport, the department of industry and commerce of the province of Prince Edward Island, and the department of economic growth in New Brunswick.

As the hon. member pointed out, one of the specific and unequivocal findings of that study was that there was little, if any, economic justification for the kind of ferry service which the hon. member and others no doubt are advocating in the circumstances which he described. The analysis in that report, looking at it in a quick way, is detailed, at least in appearance, but I appreciate the remarks which the hon. member addressed to the House this evening, pointing out what he, and no doubt others, regard as defects in the analysis. I am sure those comments will come to the attention of those who presently have this study under advisement, and I hope they will be guided to a reasonable extent by the remarks the hon. member made this evening.

This report is now a public document and has been made available to interested parties, and I hope others as well who have criticism of this study or any of the other studies will make them known to the minister so their views on the subject can go into the total decision making process. The findings and analysis of this specific study are presently being assessed in the context of the over-all requirements of P.E.I. and mainland transportation planning. Transport Canada is actively engaged in this comprehensive work, and I hope the hon. member will not have to wait an inordinate length of time before the Ministry of Transport will be able to give him a specific indication as to when the results of that over-all effort will be available publicly.

NATIONAL FILM BOARD—PROPOSAL THAT OPEN COMPETITION WITH BOARD BE PERMITTED—GOVERNMENT POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on November 25 I asked the Secretary of State (Mr. Faulkner) whether he would consider an amendment to the National Film Board Act to delete sections 9 and 11 of that act. The National Film Board is now 30 years old, it is reaching a ripe maturity and, according to the 1974-75 annual report, has 950 employees on its staff. I must say that the statement on page 35 of that report is somewhat misleading. It reads:

In line with the board's policy to support the Canadian film industry, 50 per cent of the dollar volume of government department films and other audio visual materials was contracted out to the private sector.

That may be a very accurate statement as it stands, but the report does not say how much of that 50 per cent is given to audio visual production and how much is given to film production. My understanding is that less than 10 per cent of films for government departments are produced by firms in the private sector. The fact is that sections 9 and 11 stipulate that all contracts for film production for government departments first, must be approved by the Treasury department—that is an understandable regulation—and second, must be approved by the National Film Board. I submit that that is a blatant case of conflict of interest.

Who in the world could imagine anyone in the private sector submitting a tender for a contract if that tender had to be studied and approved by the competition? The immediate question has to be: how safe is any proposal if it can be refused by the National Film Board when it is submitted to the government department and, even more important, how may times have those ideas submitted by the private sector to the government been incorporated in the production of the National Film Board once they knew what that production was all about? The related question is: how objective can we expect the National Film Board to be with projects that are not its own responsibility? However, a corollary to that, I think, is the burden of my remarks tonight.

● (2220)

What is the minister afraid of? Are 30 years of monopoly of government business not enough to establish an industry in a sound competitive position? Are 950 people not enough to compete with the small producers? Is the minister afraid that a company of 10 or 12 people with three or four cameras will be unfair competition, or have an unfair advantage over the National Film Board, with capital equipment assets of over $4 million and unlimited distribution facilities? What is the minister afraid of? Is the problem that the National Film Board, after 30 years of practical monopoly of government business, is afraid to compete with the small, independent film producer?

The minister has said many times that he wants to help establish an independent film industry in Canada. I suggest that here is one great way he can help them. All these people want is the opportunity to compete fairly with the National Film Board for government filming contracts. Is that too much to ask? Ironically one such company has done more work for the United States government than for the Canadian government. Something is rotten in the state of Denmark, and when I asked the question originally the answer was as follows:

Mr. Speaker, I have had these representations made to me by a variety of sources within the industry. I have promised to look into them, but I am not sure that this is the remedy.

I ask the minister, what is the remedy? If after 30 years in a monopoly situation the Film Board is not in a position yet to compete with small, independent producers, we must seriously question the competence of the National Film Board or the seriousness of the minister when he says that he wants to help establish an independent film industry in Canada.

I should like to have a direct answer from the minister or his parliamentary secretary as to what degree we can count on the seriousness of the minister when he says that he would like to support the private film industry, and what opportunities he will take to do that.

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, from its inception in 1939 the National Film Board of Canada was given a mandate to promote the production and distribution of films in the national interest. Section 9 states it is to represent the Government of Canada in its relations with persons engaged in commercial motion picture film activity in connection with motion picture films for the government or any department thereof.

This is a role which the National Film Board has carried out with such effect that it is now recognized around the world as a model which other countries emulate. Numbers of National Film Board productions, many of them made for government departments, have won national and international awards.

The board's success did not, however, prevent it from developing a program of contracting out an increasing volume of sponsored film business, from the point at which the film industry had developed its capability to handle it.

In July, 1972, the cabinet, as a part of the national film policy, recommended the establishment of a special committee on sponsored films. The committee, chaired by the Treasury Board, is looking specifically at the National Film Board mandate in relation to the production of film for government departments and agencies, and has received briefs from various private sector organizations. It is anticipated that the committee's report will be presented to the minister in the next two months. While we cannot speculate on the content of the report, the following information may be useful to the hon. member.

The National Film Board has reduced its own production activities in the sponsored film program over the past five fiscal years, in order to provide an increasing share to the private sector. This shift which has taken place in the private sector's share of sponsored film production is from 8 per cent in 1970-71 to 50 per cent in 1974-75.

It is also important to recognize that support to the private sector from the National Film Board is not limited to the sponsored film program, which in 1974-75 was worth $1.6 million to the private sector. In addition to the $1.6 million, the NFB spent a further $5 million in laboratories for processing, for prints, and other private sector creative and technical services. This support is part of the govern-

ment's over-all objective to assist in the development of the private sector film industry.

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

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, December 3, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FLOODS

REQUEST FOR AID TO FRASER VALLEY AREA—MOTION UNDER S.O. 43

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask unanimous consent to move a motion respecting a matter of urgent and pressing necessity. Having just been advised of serious flood conditions in Fraser Valley East threatening homes and livestock, with predictions of increasing danger within the next 24 hours, I move, seconded by the hon. member for Okanagan-Kootenay (Mr. Johnston):

That the government declare this a national emergency qualifying for immediate financial and material assistance.

Mr. Speaker: The motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

URBAN AFFAIRS

PROPOSED STUDY OF URBAN DEVELOPMENT—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important issue of pressing necessity.

Since the development of our Canadian cities is done haphazardly without any planning to maintain the aesthetics of the cities, control pollution, relieve traffic and respect the human factor and since adequate action can be taken to take advantage of the experiences of large American and European cities which, in some cases, have already coped with those conditions and in other cases, have suggested interesting solutions, I move, seconded by the hon. member for Témiscamingue (Mr. Caouette):

That the House should now consider the urban development problem to establish as soon as possible a specific and coherent policy so that our urban centres remain functional and livable.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

VETERANS AFFAIRS

PROPOSED IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS CONCERNING PRISONERS OF WAR—MOTION UNDER S.O. 43

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request unanimous consent of the House to deal with a matter of urgent and pressing necessity related to the veterans of Canada who were incarcerated in prisoner of war camps during world war II.

For many months the Department of Veterans Affairs has had in its possession a unanimous recommendation from the Standing Committee of Veterans Affairs to pay a disability pension to prisoners of war related to the number of years for which they were incarcerated. The minister has stated that the matter is under discussion in cabinet, but the government House leader has given no indication that he is ready to bring the legislation before this House. Since I am certain that there would be agreement on both sides to pass this legislation through all stages at one sitting of the House, and since the enactment of such legislation would provide benefits to the veterans in keeping with the Christmas spirit, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House direct the Minister of Veterans Affairs and the government House leader to introduce forthwith legislation to implement the recommendations of the Standing Committee on Veterans Affairs tabled in this House on Thursday, June 12, 1975.

Mr. Speaker: Order, please. Even with some reservations about the emergency nature of a matter that may be brought before the House in another way, the Chair will still put the question. The motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

POST OFFICE

SUGGESTION THAT UNION OF POSTAL WORKERS BE PLACED IN TRUSTEESHIP—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43 I, too, rise to propose a motion on a matter of urgent and pressing necessity. In view of the fact that the longest postal strike in the history of this country has caused untold financial and economic damage from coast to coast, and, while the postal workers are now in the top 15 per cent bracket, its union leaders continue to threaten the disenchanted and bitter Canadian public with yet further slowdowns and unrest within the post office, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Postmaster General express on behalf of this House to the Canadian Union of Postal Workers executive that if their counterproductive effect continues on union affairs affecting the national interest he will seriously consider having the union placed under trusteeship until more democratic and constructive leadership can be appointed by the rank and file.

Some hon. Members: No, no!

Mr. Speaker: Order, please. With all due respect to the hon. member, to accept the current motion as being the subject of a national emergency, just following the settlement of the strike to which reference has been made, would seem to me to indicate approval for every motion under Standing Order 43 which might be a matter of general concern. Surely, there should be at least some element of emergency in the motion.

ORAL QUESTION PERIOD

[*English*]

ENERGY

SALE OF CANDU REACTOR TO ARGENTINA—RENEGOTIATION OF COMMERCIAL TERMS OF AGREEMENT—POSITION OF ARGENTINA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources, who I can see is very anxious to give information this afternoon.

Mr. Fairweather: Is there a crisis in the government, or is there a government?

Mr. Stanfield: The minister will recall that on November 5 he said the government has "served notice officially to the Argentinian agency" that it wants to renegotiate the commercial terms of the CANDU contract, which I understand could otherwise cost Canada in the vicinity of $100 million, plus or minus some millions. Has the minister or his department yet received any official reply from the Argentinian government or the appropriate agency and, if so, has there been any indication that Argentina is prepared to open up the financial aspects of the agreement?

[Mr. Speaker.]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, there is an indication that Argentina is prepared to sit down and negotiate the terms of the contract. I believe the meeting will take place sometime within the next couple of weeks.

SALE OF CANDU REACTOR TO ARGENTINA—POSSIBLE SIGNING OF SAFEGUARD AGREEMENT BEFORE CHRISTMAS

Hon. Robert L. Stanfield (Leader of the Opposition): Having regard to the safeguard aspects of the agreement, in respect of which the minister said also on November 5 the government is very close to a "successful conclusion of the safeguard agreement", and the minister hoped it would be signed before the end of the year, can the minister give the House any assurance that such an agreement will be made available to the House before the Christmas recess, and whether such an agreement will entail anything more than a promise by Argentinian authorities not to use the materials or technology in the manufacture of explosives?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot go into the details of the agreement. My colleague, the Secretary of State for External Affairs, has indicated that when the agreement is signed it will be tabled in the House of Commons. My view as of November 5 still stands. I believe we are close to concluding such an agreement.

SALE OF CANDU REACTORS—PRESENCE OF REPROCESSING PLANT AS A FACTOR IN DECISION TO SELL

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, because a fuel reprocessing plant is vital and necessary to any nation in the manufacture of nuclear weaponry, would the minister be good enough to inform us whether the presence or the intended presence of a reprocessing plant in any nation is or is not a factor which has engaged the government in its deliberations as to whether it should sell a reactor to such nation?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the possibility of the presence of a reprocessing plant is, of course, considered by the government. The safeguards are intended to ensure that Canadian materials will be safeguarded.

URANIUM—CANADIAN POSITION AT SUPPLIERS' CONFERENCE ON PRESENCE OF REPROCESSING PLANT WHEN CONSIDERING SALE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, having regard to the supplier nation conferences which have been taking place, and there have been at least two now, will the minister inform us if it has been Canada's position that to be supplied with uranium, either enriched, yellow cake or raw, or in any other form, a nation should not have a reprocessing plant? Has that been Canada's position?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Our safeguards I think are well known to the House of Commons.

An hon. Member: No.

Mr. Gillespie: I would invite the hon. member if he has not read the statement of my predecessor of about a year ago to re-read it.

SALE OF CANDU REACTOR TO SOUTH KOREA—EFFECT OF NEGOTIATIONS FOR REPROCESSING PLANT ON SALE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I wonder whether the government is aware that the Republic of South Korea has already entered into negotiations with France for their reprocessing plant, and if that has been any sort of a factor in respect of the sale of a CANDU reactor to South Korea.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, it has been a factor as I have indicated in the sense that our safeguards are intended to protect the supply of Canadian materials or a Canadian reactor and the use of materials in a Canadian reactor further processed by such a reprocessing plant.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—GOVERNMENT POSITION ON EXTENSION OF RENT CONTROLS TO COMMERCIAL PREMISES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Prime Minister in the absence of the Minister of Finance. In view of the decision taken in British Columbia on Monday to extend provincial rent controls from the residential to the commercial area, would the Prime Minister clarify the policy concerning whether the white paper in referring to rent controls was referring to rent controls both residential and commercial and whether the Prime Minister and the program are therefore encouraging the provincial governments to move into commercial rent controls.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not informed myself of what was done in this regard in British Columbia so I answer subject to that ignorance on my part. The white paper talked about rent controls without being specific. I think we mainly had in mind rental for private occupation rather than for commercial enterprise with the feeling that commercial enterprise if it were under the 500 employees rule would be caught by the guidelines in other respects. But there is certainly no prohibition against a province wanting to extend its control, within its area of jurisdiction, to other ways of controlling inflation.

Mr. Leggatt: Mr. Speaker, in view of the many representations which have been made by small businesses such as barbers, beauticians and people who are trying to struggle in the independent business field and are complaining about their rents, would the Prime Minister now give consideration to broadening that anti-inflation policy to the commercial rent field so that we can see investment move into residential as well as commercial because with commercial uncontrolled you are directing investment only into the commercial area rather than the residential area. Would the Prime Minister reconsider the position his government has taken on this?

Mr. Trudeau: Mr. Speaker, without conceding the conclusions drawn by the hon. member, I would point out to him that the little businessmen to whom he refers would not come under the obligatory aspects of enforcement of the guidelines. It would seem rather improper to give them the benefit of the guidelines when they are not obligated by law to compel themselves to follow them.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

SUGGESTION THAT CANADIAN NEWS SUPERSEDE INTERNATIONAL NEWS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, in the absence of the Secretary of State, I wish to put to the right hon. Prime Minister a question that has been on my mind for many weeks.

Today at 1.30 p.m. I listened to the CBC national and international news broadcast in which we were told about a hold up in Paris, the designation by the King of Spain of the president of Parliament, that a number of hostages were being held in the Netherlands, that there had been an Israeli attack in Lebanon, that Russia and the United States had made an agreement regarding disarmament, that the King of Laos has resigned and that President Ford is visiting China; that should be the outline of national news. There was also a brief reference to the postal employees' strike that ended, as well as to the anti-inflation legislation debate. Here is my question: has the government enough authority or influence to ask the CBC to broadcast mostly national news because Canadians are primarily interested in knowing what is happening in their country, while giving some attention to what is going on elsewhere. One would think, however, that the intention is to keep Canadians abreast of all the events in the world, yet Canadian events are forgotten. Can the government make those representations to the CBC?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the hon. member expressed his point of view to the House; I shall see to it that it is also conveyed to the president of the CBC. If the hon. member will allow me to give another example of the unfortunate omission of Canadian news: there was, if I go by the hon. members' list, no mention of a very important meeting held last night in Duvernay to choose the delegates of the Progressive Conservative party.

* * *

● (1420)

[*English*]

FLOODS

REQUEST FOR ASSISTANCE TO CHILLIWACK AREA OF BRITISH COLUMBIA—POSSIBLE USE OF ARMED FORCES

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I should like to direct my question to the right hon. Prime

Minister. Has he been made aware of the disastrous flooding that is presently taking place in the Chilliwack area in British Columbia and, if so, has he received any request for assistance or indicated his readiness to render any and all assistance possible to meet that serious situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, a quick check of my notes indicates that I have not received a request for assistance, but I must admit to the hon. member that I may not have had a sufficiently complete briefing. I was detained at a very important luncheon today, a luncheon for the glorious mass of Liberals who were elected in 1965, and I had to set aside all important matters of state.

Mr. Baldwin: How about the Senators who came in in 1968?

Mr. Patterson: In the absence of the Minister of National Defence would the Prime Minister give the assurance that the personnel and facilities of the Canadian forces base at Chilliwack will be available in meeting the critical situation facing the authorities and the residents of that area?

Mr. Trudeau: Mr. Speaker, the question is somewhat hypothetical. As I say, we have not received that type of request, but the hon. member can be assured that the Canadian forces and other instruments of the federal government are always ready when called upon to assist the provinces to meet this type of disaster.

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VETERANS AFFAIRS

DATE OF INTRODUCTION OF LEGISLATION IMPLEMENTING RECOMMENDATIONS OF COMMITTEE CONCERNING PRISONERS OF WAR

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, the question is for the government House leader. Would he bring forward legislation to implement the recommendations in the report of the Standing Committee on Veterans Affairs tabled on June 12 this year? I ask this because I have reason to believe that members on both sides of the House would be agreeable to passing this bill through all stages at one sitting.

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, a bill of this kind has been on the cabinet agenda for some time. It has not yet been approved. As hon. members are aware, the cabinet is engaged in trying to restrain government spending and it has to look at that bill in that light, as I am sure the hon. member would feel is appropriate.

LEGISLATION IMPLEMENTING RECOMMENDATIONS OF COMMITTEE CONCERNING PRISONERS OF WAR—PROGRESS IN CABINET CONSIDERATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in view of the fact that many questions have been put to the House leader regarding the bill on compensation for incarcerated prisoners of war, and in view of the fact that each answer on successive occasions indicated consideration of the bill by the cabinet, can the House leader advise the House on the state of progress at present? Has there been any progress with regard to that legislation which affects many low income people to whom the anti-inflation guidelines would not apply?

Hon. Mitchell Sharp (President of the Privy Council): We have had the report of the committee and the Minister of Veterans Affairs has made recommendations. These have been under consideration but we have not yet reached a final decision.

Mr. Knowles (Winnipeg North Centre): You have had it for six months now.

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TRANSPORT

ARRANGEMENTS WITH PANARCTIC FOR TRANSPORTATION OF OIL—REQUEST FOR EARLY DECISION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Transport. In light of the growing urgency facing Panarctic because of the difficulty in raising capital for exploration, has the government given any consideration, or is it giving consideration, to entering into arrangements with Panarctic with respect to a delivery system for the commercial oil deposits in the Arctic down to areas where they might be refined? Similar consideration has been given and similar arrangements are about to be entered into with Federal Navigation, Commerce, Leach and Canadian Steamship Lines. Is the government considering a similar arrangement with respect to Panarctic?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the first venture in relation to an ice-breaking cargo vessel is the one which has recently been announced, and it can be useful to Panarctic as well as others in terms of supply, if not in terms of removal of product. The over-all question of removing the product is, of course, much more complex than that, although this particular technique will certainly be better known by us as a result of having one vessel in place. However, at this point there have not been further specific discussions about a second or additional vessel.

Mr. Forrestall: Panarctic has to start moving the oil out in the next two or three years, or four years at the outside, in order to get some cash flow. I wonder whether the minister might consider referring this matter to one of his appropriate departmental committees for possible review; otherwise, we are going to wind up with foreign-registered vessels removing this oil from the north, and that would again be an unfortunate situation.

Mr. Lang: The hon. member assumes that a vessel will be the technique for movement, and that is certainly one of the alternatives. The question is, of course, under consideration by a number of departments of government at this time.

FINANCE

SUGGESTED COMPENSATION TO BUSINESSES FOR LOSSES RESULTING FROM POSTAL STRIKE—POSSIBLE SERVICE CHARGES ON SALES TAX ACCOUNTS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of Finance. In view of the severe losses, financially and otherwise, which have been suffered by business, and which have been particularly rough on small businesses which have been forced to pay service charges on moneys which should have been available through accounts receivable, will there be any compensation, tax-wise, or does the government contemplate anything for those people?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think this would be covered under the normal provisions of the Income Tax Act.

Mr. Rynard: How about the government sales tax accounts? Will there be any service charges on those?

Mr. Macdonald (Rosedale): I am sorry, I did not hear the hon. member. To what type of accounts is he referring?

Mr. Rynard: The sales tax accounts which were to be mailed out every month. Naturally, because of the postal strike, they could not be received. What is the government doing about this? I believe there has been some harassment in this regard.

Mr. Macdonald (Rosedale): I will have to take that particular question as notice.

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TRANSPORT

DISCONTINUANCE OF SERVICE BY COAST FERRIES LIMITED OF VANCOUVER—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Transport. I should like to ask the minister if he has received any appeals from British Columbia regarding the action of Coast Ferries Limited of Vancouver, which has discontinued its coastal ferry freight service to the isolated logging camps and communities on the mainland of British Columbia. What action does the government intend taking to avert the hardship which this action will cause to the people living in those communities, who are dependent upon this freight service for their food and fuel?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have been aware of this problem. The member of parliament for the area brought it to our attention a number of weeks ago, and we have been looking at it. It is a ferry service which simply serves within one province, and ordinarily we would consider that to be the prime responsibility of the province in question. We have been considering whether, in the absence of any action on the part of that province, we could take any steps pending further refinement of our own policy in relation to ferries. I would say, however, that the very pointed remarks about the importance of the service might be taken by the hon. member to the provincial government of British Columbia.

● (1430)

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question. In view of the fact that Coast Ferries Limited of Vancouver are licensed by the Department of Transport, may I ask the minister if he has received a request from that company for a government subsidy and if so, what action is the government taking? Will the minister undertake to look into this matter to see whether this service can be resumed?

Mr. Lang: Mr. Speaker, my previous answer indicated that this matter had been brought to our attention. I referred to the hon. member for Coast Chilcotin but in addition, the ferry service itself had made the request to us. We indicated that while we would look at the question, we did consider it primarily a problem for the province.

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EXTERNAL AFFAIRS

CONSIDERATIONS ENTERING INTO SALE OF MILITARY EQUIPMENT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for the Acting Secretary of State for External Affairs and follows information eventually received, after a year on the order paper to the effect that Canada, in the last decade and currently, has been selling military equipment to 73 countries with no regard to their military activities or political stability. In light of the great and legitimate anxiety over the sale of nuclear equipment, may I ask the minister if his department or any other takes any interest in the sale of conventional military equipment as a foreign policy judgment or if Canada regards the sale of non-nuclear weapons as a purely business transaction where the dollar value is the only value worth considering?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, the brief answer to the question is no. We do have regard to sales of military equipment of all kinds in all directions. We have a policy that specifies certain NATO countries to which we supply arms on a reciprocal basis; we have another category of countries to which we will supply arms of a certain class; we have a number of countries to which we do not sell arms of any kind at all and this includes countries in the Middle East. We also have some categories that might be termed military equipment of a rather innocent character and perhaps some of the countries mentioned received equipment of that kind.

POSITION OF CANADA IN RELATION TO OTHER COUNTRIES SELLING MILITARY EQUIPMENT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question. Is the minister informed that this interesting list of categories he has just given places Canada No. 6 in the sale of arms in the world?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, I would suggest that statement requires some analysis. There are certain types of arms and equipment for warlike purposes that we do not supply. Many of the things we supply are not intended for the purpose of killing people.

Mr. Hees: They are sort of "soft arms", are they?

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AIR TRANSPORT

PROPOSED REVIEW OF APPLICATION OF TRANSAIR FOR SERVICE IN WESTERN PROVINCES—GOVERNMENT POSITION

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is for the Minister of Transport. This week the CTC turned down the application of Skywest for a prairie air service. This means that central and western Manitoba and eastern Saskatchewan are still without east-west service. In view of the fact that we have a new air terminal in Brandon and no air service, would the minister review the application of Transair—which the majority of people want—to supply jet service to Prince Albert, Regina and Brandon to Toronto on a daily basis?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question of such service would ordinarily be determined in the first instance by the Canadian Transport Commission and I presume they could look at a further application in this regard at this time. I should say that, according to my information, the application by Skywest was not turned down but the hearing was adjourned on the ground that there was insufficient information put before the CTC by the government of Manitoba.

SUGGESTION AIR CANADA SUPPLY SERVICE IN WESTERN PROVINCES IF TRANSAIR APPLICATION REJECTED

Mr. Craig Stewart (Marquette): A supplementary question. On the Transair application to supply this service the main opposition at the CTC hearings was from Air Canada. If Transair is not allowed this route, would the minister ask Air Canada to supply this much needed service?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think I can at least partly answer the hon. member's question by indicating we may want to look at the position Air Canada takes in a number of these questions when a particular airline is going to supply service.

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NATIONAL PARKS

LOSS IN ATLANTIC AREA AS A RESULT OF NEW FEE—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. According to recent reports, the loss in park revenue in Atlantic national parks this year was from 10 per cent to 32 per cent as a result of the new park fee. With the recent projection of the president of the tourist association of Prince Edward Island that there is a likelihood of a $5 million to $6 million loss to the tourist industry with the imposition of this fee, has the minister had an opportunity to review these figures and will action be taken to deal with them in the light of the importance of tourist development to Prince Edward Island?

[Mr. Fairweather.]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member is correct in pointing out the diminution of traffic. That does not only apply to the Atlantic provinces, however, but across the country. I think you have to look to other factors than the fee when you look at traffic. Surely, the hon. member is not suggesting the fee is the only consideration. There is the increased cost of gasoline, hotels and food, for instance. That is where the president of the tourist association should be looking for his increased costs.

PRINCE EDWARD ISLAND—COMPARISON OF USE WITH THAT OF OTHER PARKS

Mr. David MacDonald (Egmont): A supplementary question. Has the minister had an opportunity to compare the situation in the Prince Edward Island national park, which did not have a fee this year, with the park situation in neighbouring provinces? Could he indicate whether there was any difference between the situations in these parks which would allow for the additional reasons the minister provided and would focus on the essential problem of the deterrent fee?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have had an opportunity to look at the figures. There is a significant variation between all parks in the Atlantic provinces and the rest of Canada.

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REGIONAL ECONOMIC EXPANSION

EFFECT OF FEE ON USE OF NATIONAL PARKS—CONSULTATION WITH DEPARTMENT CONTROLLING PARKS IN VIEW OF AGREEMENT IN DEVELOPMENT PLAN

Mr. David MacDonald (Egmont): A final supplementary question for the Minister of Regional Economic Expansion. In view of the recent signing of the second phase of the development plan and the importance of the tourist sector in that plan, has the minister or his officials studied the impact of the deterrent fee and have there been any consultations between the minister or his officials and representatives of the Department of Indian Affairs and Northern Development?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am not sure that the negative implications which this decision might have had have been examined as yet, but I can assure the hon. member that I shall see to it that they will be examined. And if some corrections can be made, they will be.

[*English*]

CANADIAN NATIONAL RAILWAYS

PROPOSED LAY-OFFS IN CAPE BRETON AND CLOSING OF SERVO-CENTRE—REQUEST FOR REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. Is the minister in a position to provide the House with information with regard to the question I posed on Thursday last about lay-offs by Canadian National Railways of personnel, including C.N. police? Further, is it the intention of Canadian National to close out the servo-centre for Sydney which would result in further lay-offs?

Hon. Otto E. Lang (Minister of Transport): I will have to look into that, Mr. Speaker.

Mr. Muir: Mr. Speaker, I thank the minister for his usual congenial reply. May I ask if he will assure the House that he will bring the report back here and allay the fears of those who will be affected?

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CANADIAN BROADCASTING CORPORATION

SUGGESTED REPLACEMENT OF PROGRAM "VIEWPOINT" BY PROGRAM FEATURING BACKBENCH MEMBERS OF PARLIAMENT

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Secretary of State. In view of the recent announcement made by Knowlton Nash, vice-president of programming for CBC, regarding the cancellation of the program "Viewpoint", could the minister pass along the suggestion that this program be replaced by a special program of backbench members of parliament selected on a rotation basis from all four corners of this House?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am sure the hon. member's suggestion is very worth while and I will be glad to bring it to the attention of the minister and of the CBC.

Mr. Hees: That is a sweetheart question.

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IMMIGRATION

DANG VAN QUANG—REQUEST FOR REPORT ON DEPORTATION PROCEEDINGS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Manpower and Immigration. It deals with the Dang Van Quang affair which is becoming a notorious farce. What is his present status in this country and what major problems is the minister encountering now? Can the minister give the House an assurance that if no other country will take this person that he will carry out the deportation order issued July 7?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the situation has not changed since I replied to the hon. member a few weeks ago.

● (1440)

[*Translation*]

ANTI-INFLATION BOARD

INQUIRY AS TO UNION REPRESENTATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs, I want to ask a question of the Minister of Finance.

Before the Standing Committee on Finance, Trade and Economic Affairs, the president of the Confederation of National Trade Unions answered to a question he was asked that neither he nor the members of his union would agree to sit on the Anti-Inflation Board. Can the minister tell the House whether direct invitations have been made to unions across Canada so that labour be represented on the Anti-Inflation Board and, if so, what has been the answer?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I must say that labour is already represented on the Anti-Inflation Board by Mr. Bill Ladyman of Winnipeg.

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[*English*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED RELOCATION OF PROPOSED PIGGYBACK TERMINAL IN WINNIPEG

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is addressed to the Minister of Transport. There has been considerable concern and objection to the CNR's locating a new piggyback terminal in southwest Winnipeg on Wilkes Avenue, adjacent to the Tuxedo residential area. Yesterday the Minister of State for Urban Affairs announced a $436,000 loan to the Manitoba Housing and Renewal Corporation for the purchase of land for housing west of the proposed piggyback terminal. Will the minister consult with his colleague, the Minister of State for Urban Affairs who is responsible for rail line relocation, then get in touch with the president of the CNR and recommend a new location for the terminal, away from housing developments, existing and proposed?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I shall be glad to engage in consultations, but will do so before deciding on recommendations.

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INQUIRY OF THE MINISTRY

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question is directed to the government House leader. The government having announced that it will lease, even before the cornerstone is laid, I believe, space in Hull to accommodate 6,000 new civil servants, can the minister rationalize for this House and veterans in general why veterans are being treated with austerity, and those to be located in Hull with such generosity?

Mr. Speaker: Order, please. If the minister is disposed to answer the question, he must answer at some time other than the question period.

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BANK ACT

PROCEDURE FOR DEALING WITH AMENDMENTS AND BILL C-7

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Stevens: —my question is directed to the Minister of Finance. In view of the minister's references yesterday to the possibility of introducing revisions to the Bank Act by the middle of next year, will the minister indicate if the government proposes to bring in a green paper or white paper on possible amendments to the Bank Act, in order that there may be public reaction to the government's decision on the proposed recommendations before those amendments are actually brought forward?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, may I congratulate the hon. member on the bandwagon which is undoubtedly going for him at the moment.

Some hon. Members: Hear, hear!

Mr. Andre: Especially in Rosedale.

Mr. Macdonald (Rosedale): If I may elaborate further my statement of yesterday, I indicated we intend to give first reading to the bill next year without proceeding further with it, so that there will be full opportunity for the community to study the bill and comment on it.

Mr. Stevens: A supplementary question, Mr. Speaker. Can the Minister of Finance say what is to be the fate of Bill C-7, which is still on the order paper, bearing in mind that the proposed bill contemplated the incorporation of banks by letters patent and the possibility of provincial governments having shares in banks in Canada? Is this bill to be brought forward or dropped?

Mr. Macdonald (Rosedale): Mr. Speaker, we will not proceed with it in the present session.

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ENERGY

SALE OF CANDU REACTOR TO SOUTH KOREA—RECONCILIATION OF STATEMENT ON SAFEGUARDS WITH KNOWLEDGE OF NEGOTIATIONS FOR REPROCESSING PLANT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question to the Minister of Energy, Mines and Resources is supplementary to questions asked by my leader and the hon. member for Northumberland-Durham. The minister told us that the guidelines on nuclear safeguards were published about a year ago. I want to know how the minister can reconcile these statements, of an immutable nature, with the knowledge that has just come to him recently, of an agreement being worked out between South Korea and France for the acquisition of an enrichment plant.

[Mr. McCain.]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I ask the hon. member to await the tabling of the Canadian document.

Mr. Horner: You don't know what's in it, do you, Alastair?

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. I still think the minister owes us an explanation. How is he to be assured that the safeguards will control the reprocessing plant when it is installed in South Korea? This is preposterous, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Elgin.

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AGRICULTURE

SURPLUS OF SKIM MILK POWDER—SUGGESTED USE IN FOOD AID PROGRAMS

Mr. John Wise (Elgin): Mr. Speaker, in the absence of the Secretary of State for External Affairs, may I direct my question to the Minister of Agriculture?

An hon. Member: You will not get an answer.

Mr. Wise: As stocks of skim milk powder on hand this year are three times larger than last year's, being 300 million pounds, compared with approximately 100 million pounds, and as CIDA bought less skim milk this year than last, has the Minister of Agriculture made representations to the Secretary of State for External Affairs, or to CIDA directly, in the hope that additional volumes of this product will be purchased for world food aid?

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker, we have done this. As I reported earlier to the House, we have asked the head of the Dairy Commission and our trade officers to explore every avenue possible for the sale of skim milk powder. I am sure the hon. member knows that the world surplus of skim milk powder is larger than ever, and the distribution problem is still as great or greater than it has ever been.

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POST OFFICE

PROPOSAL TO INCREASE SALARIES OF POSTMASTERS—GOVERNMENT POSITION

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Postmaster General. The postal strike now having been resolved, postal officers immediately junior to postmasters will receive some $1,500 a year more than many Canadian postmasters. As postmasters are not in a position to bargain for their salaries, what is to be the position of the government on increasing the salaries of Canadian postmasters?

An hon. Member: Tough luck, that's all.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker,—

Some hon. Members: Hear, hear!

Mr. Mackasey: I was going to say that the question is particularly relevant. I discussed it this morning with the deputy minister because, naturally, there is an historic relationship between the wages of employees and of supervising officers. I hope this matter will be settled shortly.

* * *

EXTERNAL AFFAIRS

ANGOLA—SUGGESTION CUBA WITHDRAW FORCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I direct a brief question to the Prime Minister? When the Prime Minister visits Cuba in January, will he make representations to Premier Fidel Castro, requesting him to remove the 3,000 armed troops he has placed in Angola in support of communist forces endeavouring to take over control of that country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have some doubts as to whether I will be receiving advice from Premier Castro with regard to the placement of Canadian troops, and it is unlikely that I will give such advice to him.

Mr. Crouse: A supplementary question, Mr. Speaker. The Prime Minister, I think, misunderstood my question. I was not referring to Canadian troops. At present it is reported that the Cuban government has placed some 3,000 Cuban troops alongside Communist forces in Angola. I was asking the Prime Minister, since we provide aid to Cuba, if he will consider asking Premier Fidel Castro to withdraw the 3,000 Cuban troops supporting the communist forces which are endeavouring to take over Angola?

Mr. Speaker: Order, please. With all respect, that is precisely the question the Prime Minister just answered. The hon. member for Sault Ste. Marie.

* * *

LABOUR CONDITIONS

STRIKE OF PULP AND PAPER WORKERS—GOVERNMENT ACTION TO SETTLE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Labour. Considering that the minister's attempt at moral suasion failed to get the pulp and paper companies back to the bargaining table to settle a national dispute which has lasted many months, what new initiatives will the minister take to get negotiations under way?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, may I advise the hon. member that some companies are in the process of returning to the bargaining table. As I indicated yesterday, the reaction of the Anti-Inflation Board to the Irving settlement might break the logjam and we may see further settlements shortly.

* * *

● (1450)

REGIONAL ECONOMIC EXPANSION

REASON FOR CHANGE IN ATTITUDE OF BRITISH COLUMBIA TOWARDS USE OF DEPARTMENT'S SERVICES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is to the Minister of Regional Economic Expansion. In the light of an announcement by the government of British Columbia that it intends to embark on a major program of expansion in the field of transportation and industrial development, and since this announcement would involve a large amount of money from the Department of Regional Economic Expansion, can the minister tell us whether the election under way in British Columbia at this time removed the stumbling block he has experienced in getting the province to use the services of the department?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, of course I will not comment on the hon. member's last statement concerning the electoral campaign which is now taking place in British Columbia. Instead I shall deal with the project which has been announced by the Minister of Energy, Mines and Resources, and which aims at a significant development of the coal industry in that province. This topic has been under discussion with our department for quite a while. It is considered a very important project for the development of that province. There is no doubt that if the B.C. government is interested in going ahead with the project we, ourselves, are interested in discussing with them to explore the possibility of joining in this development project which is, in my view, a very important one.

* * *

FOREIGN INVESTMENT

POSSIBLE TAKEOVER OF WESTINGHOUSE—REQUEST FOR EARLY DECISION

Mr. Roch La Salle (Joliette): Mr. Speaker, in view of the absence of the Minister of Industry, Trade and Commerce I should like to put my question to the Minister of Regional Economic Expansion.

Mr. Speaker, as the government must pass judgment on the sale of Westinghouse to a foreign company, as the uncertainty surrounding that decision is creating problems for the dealers of that company, and as they are unable to give the usual guarantees on the merchandise, can the minister tell the House today when the government will announce its decision regarding the possibility of that sale? If he cannot do so today, would he give it special attention in the interest of those who depend directly or indirectly on the company?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I must say to the hon. member

for Joliette that the transaction is of concern to the government, but that the responsibility involved falls on the shoulders of my colleague, the Minister of Industry, Trade and Commerce. When a decision has been reached, I am sure Parliament and the people generally will be advised of it. I could perhaps refer my hon. friend to the statement the minister made last Friday before leaving on a business trip.

* * *

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—NUMBER OF COMPANIES TO WHICH GUIDELINES APPLICABLE—SIZE OF STAFF NECESSARY TO MONITOR COMPANIES

Mr. Lincoln M. Alexander (Hamilton West): One question to the Minister of Finance, Mr. Speaker. Can the hon. gentleman answer the question I put to him yesterday with respect to the number of firms with 500 employees or more, and the number of construction firms, which will be monitored under the anti-inflation program and whether a staff of 200 is sufficient to look after this particular operation.

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker, I can confirm it is estimated that of firms with 500 or more employees 2,500 or 3,000 will be subject to monitoring control. I cannot give a definite figure at the moment with regard to construction firms. At the present time there are some 265 persons assisting the Commission in its work, of whom all but 28 have been seconded from within the public service.

Mr. Alexander: Am I to infer from reading the first figure which was thrown out in the White Paper, 1,500 firms, that the government rushed into this matter without knowing what it was doing?

* * *

AIR TRANSPORT

DATE OF PAYMENT TO SAUNDERS FOR AIRCRAFT PURCHASED BY SKYWEST

Mr. Dean Whiteway (Selkirk): My question is to the Minister of Transport, Mr. Speaker. Because of the apparent disposition on the part of the government to go ahead with Skywest in spite of recent difficulties, and understanding the cash flow problems of Saunders Aircraft Corporation of Manitoba, would the minister indicate when Saunders might expect payment for the aircraft involved in order that they might be able to remain open and continue to provide employment?

Hon. Otto E. Lang (Minister of Transport): I have been taking the position that the right time to buy the planes was when it was known that they would in fact fly on the routes intended, and this meant I was awaiting the outcome of the CTC deliberations on the question.

ENVIRONMENTAL AFFAIRS

FRASER VALLEY FLOOD CONTROL PROGRAMS—REQUEST FOR FEDERAL SHARE OF FUNDS

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I wish to address a question to the Minister of the Environment arising from the fact that once again the Fraser Valley is experiencing considerable flooding problems. Bearing in mind that several projects are ready to proceed, subject to the commitment of funds by the federal government, and in view of the fact that the British Columbia government has indicated its willingness to go ahead and has money available for its share of Fraser Valley flood control programs, would the minister immediately press the government for its share of funds for projects previously scheduled to start in 1975 and which are ready to proceed?

Hon. Jeanne Sauvé (Minister of the Environment): The construction of dykes in the Fraser Valley still remains a very high priority in our program of protection works. The plans for the construction of those dykes were made some time ago. Some of the projects are under construction; work on others has had to be delayed pending the approval of supplementary funds by Treasury Board. Between the time the plans were made and the time we were ready to start we encountered inflation problems; construction costs rose considerably, so we had to go to Treasury Board to seek supplementary funds. We have a request before Treasury Board at the present time for the extra funds needed to go ahead with this work.

* * *

NATIONAL PARKS

PROPOSED GRASSLAND PARK IN SASKATCHEWAN—REQUEST FOR PROGRESS REPORT

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I wish to put a question to the Minister of Indian Affairs and Northern Development. What progress has been made toward the establishment of a national grassland park in western Canada?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): We have reached a tentative agreement with the Province of Saskatchewan with regard to the establishment of this park. Unfortunately, there was recently a change in the pertinent ministry—a new minister was appointed—and there are still some questions to be ironed out. I am still optimistic we shall be able to establish this park.

* * *

EXTERNAL AFFAIRS

INQUIRY AS TO JUSTIFICATION FOR PROPOSED INCREASE IN PRICE OF PASSPORTS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, a question for the Prime Minister in the absence of the Secretary of State for External Affairs. It pertains to the reported intention of the government to

increase the price of passports issued to Canadian citizens from $10 to $12. Is this the government's intention, or policy, and if so how can the increase be justified?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): The question is under consideration. Any increase would be justified by the increased cost of supplying passports.

Mr. Alkenbrack: Since the reported increase would amount to 20 per cent, thus exceeding the guidelines laid down by the Minister of Finance, how can such an increase be justified?

Mr. Sharp: The guidelines do not speak about percentages in the case of prices or fees. They talk about prices reflecting increases in costs. That is how we would justify any increase we might make.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Fourth report of Standing Committee on External Affairs and National Defence—Mr. Dupras.

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

* * *

● (1500)

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, if there is unanimous consent I would move, seconded by the hon. member for Toronto-Lakeshore (Mr. Robinson), concurrence in the report I presented last night at ten o'clock. I might tell the House, in moving my motion, that I have met the commitment to consult each of the four House leaders and they have given their blessing to it.

Mr. Speaker: The hon. member for Halifax-East Hants (Mr. McCleave) seeks the unanimous consent of the House to move a motion of concurrence in a committee report. The motion cannot be put without unanimous consent in view of the fact that the report was tabled only last evening. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. McCleave: Mr. Speaker, I move:

That the sixth report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Tuesday, December 2, 1975, be concurred in.

Motion agreed to.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): Mr. Speaker, the following questions will be answered today: 3,106, 3,107, 3,184, 3,218, 3,233, 3,235, 3275, 3,297, 3,488, 3,553, 3,554, 3,578, 3,594, 3,599 and 3,617.

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

[*Text*]

BUDGET FOR "PREMIÈRE BIENNALE DE LA FRANCOPHONIE CANADIENNE"

Question No. 3,106—**Mr. Epp:**

1. What was the approved budget for Première biennale de la francophonie canadienne?

2. What amount was contributed by the (a) government (b) each department to the budget?

3. What role does the Minister of the Environment have in the Première biennale de la francophonie canadienne?

4. Was promotional material printed at government expense and, if so, in what language?

5. What is the purpose of Première biennale de la francophonie canadienne?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): 1. $170,000.

2. (a) and (b) Department of the Secretary of State (Official Language Minority Groups Directorate): $50,000.

3. The Association canadienne d'éducation de langue française had invited the Honourable Jeanne Sauvé to the first Biennale de la francophonie canadienne as a private individual, and not as the Minister of Environment Canada.

4. No.

5. The purpose of the Biennale was to allow French-speaking Canadians from the ten provinces of our country to come together to determine the present situation of the Canadian Francophone population, with the general theme of "The position of the Canadian Francophone population".

PROPOSED POST OFFICE—STEINBACH, MANITOBA

Question No. 3,107—**Mr. Epp:**

1. Has the government any plans to build a post office or federal building in Steinbach, Manitoba and, if so, what is the present status of the project?

2. If a building is to be rented, on what date does the government expect to lease space?

Hon. C. M. Drury (Minister of Public Works): 1. The Department of Public Works has been requested by Post Office officials to schedule expanded postal accommodation in Steinbach, Manitoba tentatively for the summer of 1978. Major considerations in providing this accommodation by that date will be priority allocation within the Post Office National Facilities Plan and availability of funds. Necessary studies are not yet sufficiently advanced to indicate whether the Post Office need will be met by new

Crown construction, an addition to the existing building, or by lease.

2. See 1 above.

CNR STAFF REDUCTION IN NEWFOUNDLAND

Question No. 3,184—**Mr. Marshall:**

1. Is it the intention of CNR to reduce staff in Newfoundland and, if so, what are, in details, the reasons for this reduction and the timing?

2. Are discussions being held with the appropriate unions concerned to relieve the economic pressures on the employees affected?

3. What is the breakdown of total employment figures in all areas of CNR in Newfoundland for the years 1968 to 1975 and the projected figures for 1976?

Hon. Otto E. Lang (Minister of Transport): The Management of Canadian National Railways Company advises as follows: 1. There have been and will be staff reductions to keep our work force in line with the traffic offering and service required. Reductions will depend largely on the traffic and cannot be forecasted accurately at this particular time. Increases have also occurred related to specific traffic needs.

2. When positions are abolished, notice is given to the labour union representing the employees concerned. Benefits (weekly lay-off benefits, severance payments, relocation expenses) are available to employees who are laid off.

3. The following figures are for the month of September: 1968, 4,989; 1969, 4,980; 1970, 4,700; 1971, 4,956; 1972, 5,302; 1973, 5,404; 1974, 5,950; 1975, 5,803. The figures for 1976 will depend upon traffic offering and service requirements.

ANTI-INFLATION BOARD PERSONNEL

Question No. 3,218—**Mr. Nystrom:**

1. What is the (a) salary range (b) expense account of Mr. Jean-Luc Pepin, Chairman of the Anti-Inflation Board?

2. What is the (a) salary range (b) expense account of Mrs. Beryl Plumptre, Vice-chairman of the Inflation Board?

3. What was Mrs. Plumptre's salary range as Chairman of the Food Prices Review Board?

4. (a) What is the salary range of Anti-Inflation Board employees (i) Mr. Ken Prettie (ii) Mr. Al Donnelly (iii) Mr. Richard O'Hagan (b) what was their salary range in their previous jobs in the Public Service (c) on what date was their salary range increased or decreased?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. (a) D.M.-2, $47,500-$60,500. (b) According to Treasury Board Regulations.

2. (a) D.M.-1, $41,000-$54,000—Mrs. Plumptre will accept only $40,000, her salary in her previous position. (b) According to Treasury Board Regulations.

3. $40,000.

4. (a) (i) Mr. Ken Prittie, IS-7, $24,500-$30,600. (ii) Mr. Al Donnelly, $25,500, Governor in Council. (iii) Mr. Richard O'Hagan, SX-2, $31,500-$41,500. (b) No change. (c) Not applicable.

[Mr. Drury.]

ONTARIO-UNITED STATES BORDER IMMIGRATION OFFICERS—BILINGUALISM

Question No. 3,233—**Mr. Cossitt:**

1. Is the Department of Manpower and Immigration about to institute bilingualism for immigration officers stationed at border points along the Ontario-United States border and, if so, for what reason?

2. How many French-speaking immigrants entered Canada at these ports during the last year for which figures are available.

3. Has the institution of bilingualism already begun and, if so, are arrangements being made for two bilingual immigration officers to be stationed at Niagara Falls, Ontario?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. In 1973 all positions within the Department of Manpower and Immigration including those occupied by immigration officers stationed along the Ontario-United States border were linguistically identified according to the established standards concerning the provision of service in either official language. These positions are reviewed from time to time to ensure that current demands are met.

2. During 1974 there were 30 persons admitted to Canada as landed immigrants at ports of entry along the Ontario-United States border who had a language capability in French but not in English. In addition, there were 258 persons admitted who had a language capability in both French and English. Immigrants admitted to Canada represent only a minute percentage of persons entering Canada at these locations. Approximately 11 million permanent residents of Canada return home via these ports each year and their needs for service in either official language must be taken into consideration.

3. Yes. The study mentioned in part 1 above indicated that there was a significant enough demand at Niagara Falls to warrant the identification of two immigration officers' positions as bilingual.

ANTI-INFLATION BOARD—PERSONNEL

Question No. 3,235—**Mr. Nystrom:**

What is the salary range of (a) Mr. Robert Johnstone, Executive Director (b) Mr. Donald Yeomans, Associate Executive Director of the Anti-Inflation Board (c) what was their salary range in their previous position (d) on what date will their salary increase or decrease become effective?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): (a) SX-3—$35,500-$47,500. (b) SX-3—$35,500-$47,500. (c) No change. (d) Not applicable.

NEW HORIZONS GRANTS—VILLENEUVE CONSTITUENCY

Question No. 3,275—**Mr. Caouette (Villeneuve):**

1. Since inception of the New Horizons Programme, has money been allocated to the Constituency of Villeneuve and, if so, in what amount?

2. For each project in the Constituency, what (a) is the title (b) is the amount allocated (c) is the year of acceptance (d) is the name of the municipality concerned (e) are the number of jobs which have been created?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. $52,895—approved since 1972.

2. (a)	(b)	(c)	(d)
La Gamme d'Or	$ 950	1972-73	Val d'Or
Club d'Âge d'Or Saint-Martin	$14,460	1973-74	Malartic
Association des Pionniers de Cadillac	$ 5,680	1973-74	Cadillac
Club de l'Âge d'Or Inc.	$ 5,550	1973-74	Val d'Or
Le Conseil Pastoral de Senneterre	$ 4,350	1973-74	Senneterre
Les Résidents du Foyer de Val d'Or	$ 1,900	1974-75	Val d'Or
Les Intrépides de Chibougamau	$10,800	1974-75	Chibougamau
Villa Saint-Martin Inc.	$ 5,375	1974-75	Malartic
Club de l'Âge d'Or	$ 900	1974-75	Val d'Or
Club de l'Âge d'Or Dubuisson Inc.	$ 2,930	1974-75	Val d'Or
NIL		1975-76	

2. (e) None. The New Horizons Program is an activity-oriented program, not a job creating program. It was established to enable retired Canadians to participate in activities beneficial to themselves and the community, and all participants are volunteers.

INCREASE IN CONTAINER RAIL RATES

Question No. 3,297—**Mr. Forrestall:**

1. Is the government aware of the pending 10 percent increase in container rail rates through Halifax proposed for January 11, 1976?

2. Is the government aware of the additional five percent hike in such rates proposed for mid-1976?

3. Is the government aware that such rates, if implemented, will bring to seventy-three percent the total increase in the rail rates for containers alone out of the Port of Halifax since 1969?

4. What action does government propose to ameliorate this situation, if any?

Hon. Otto E. Lang (Minister of Transport): 1. Yes.

2. Yes.

3. Yes.

4. The railways, as corporations operating in Canada, will be subject to the Anti-inflation Legislation. The railways will be required to live within the guidelines as published by the government. The Canadian Transport Commission will be asked to see that the railways respect the guidelines, with the assistance of the Administrator of the Anti-inflation Program, when necessary. The CN and CP railway managements still have the responsibility of making their own pricing decisions and these decisions will be subject to the scrutiny of the CTC and the authority of the Administrator.

RETURNS OF NON-RESIDENT PERSONS

Question No. 3,488—**Mr. Wise:**

How many non-resident persons deriving rental income from sources in Canada whose income tax return had been submitted to the Department of National Revenue later than two years after the end of each tax year (a) 1972 (b) 1971 (c) 1970 received tax refunds?

Hon. Jack Cullen (Minister of National Revenue): Statistical information on this subject is not compiled by the Department of National Revenue at such a level of detail as would permit an answer to be made to this question.

FERRY SERVICE BETWEEN PRINCE EDWARD ISLAND AND THE MAINLAND

Question No. 3,553—**Mr. MacLean:**

Has any agreement been reached or any arrangement made whereby continuous ferry service between Prince Edward Island and the Mainland can be guaranteed, even when labour contracts are being negotiated?

Hon. Otto E. Lang (Minister of Transport): No agreement has been reached nor has any arrangement been made whereby continuous ferry service between Prince Edward Island and the Mainland can be guaranteed at all times, especially during the ice season and during labour disputes.

GULF FERRY SERVICES

Question No. 3,554—**Mr. MacLean:**

1. For the peak traffic period of 1976, what ferries will be operating on (a) the Borden-Cape Tormentine Service (b) the Wood Islands-Caribou Service (c) the Souris-Magdalen Islands Service?

2. What will be the rates charged for passengers and passenger automobiles in each case?

Hon. Otto E. Lang (Minister of Transport): 1. The following is the planned vessel utilization for the peak traffic period of 1976: (a) Borden-Cape Tormentine Service: M.V. *Vacationland,* M.V. *Holiday Island,* M.V. *Abegweit,* M.V. *John Hamilton Gray,* M.V. *Confederation.* (b) Wood Islands-Caribou Service: M.V. *Prince Edward,* M.V. *Prince Nova,* M.V. *Lord Selkirk.* (c) Souris-Magdalen Islands Service: M.V. *Lucy Maud Montgomery.*

2. The current tariff structures for passengers and passenger automobiles are as follows: (a) Borden-Cape Tormentine Service: Adults, $0.65; Children (5 to 12 years inclusive), $0.25; Children (under 5 years), N/C; Passenger Automobiles, $2.50. (b) Wood Islands-Caribou Service: Adults, $0.75; Children (5 to 11 years inclusive), $0.35, Children (under 5 years), N/C, Passenger Automobiles, $3.00. (c) Souris-Magdalen Islands Service: Adults, $8.00; Children (5 to 12 years inclusive), $4.00; Children (under 5 years), N/C; Passenger Automobiles, $18.00. All fares quoted are for one way and, at present, there are no plans to alter the tariff structures.

HON. JEAN MARCHAND

Question No. 3,578—**Mr. Cossitt:**

1. Did the Honourable Jean Marchand, as Minister of Transport, travel to the State of Florida in the United States and, if so (a) on what dates (b) to what places (c) for what purpose (d) what was the means of transportation?

2. In each case, where a government aircraft was used, what is a (a) full description of the aircraft (b) complete list of all persons on board at any time including job designations and addresses?

Motions for Papers

Hon. Jean Marchand (Minister without Portfolio): 1. The Hon. Jean Marchand, as Minister of Transport, did not travel to the State of Florida, in the U.S.

2. Not applicable.

HON. JEAN MARCHAND

Question No. 3,594—**Mr. Cossitt:**

1. Did the Honourable Jean Marchand, while a member of the Cabinet at any time previous to becoming Minister of Transport, travel to the State of Florida in the United States and, if so (a) on what dates (b) to what places (c) for what purpose (d) what was the means of transportation?

2. In each case, where a government aircraft was used, what is a (a) full description of the aircraft (b) complete list of all persons on board at any time including job designations and addresses?

Hon. Jean Marchand (Minister without Portfolio): 1. The Hon. Jean Marchand, as a private citizen, while a member of the Cabinet and previous to becoming Minister of Transport, did travel to Miami in the State of Florida in the United States on various occasions for private matters and on commercial airlines.

2. Not applicable.

DISTRIBUTION OF GOVERNMENT CHEQUES

Question No. 3,599—**Mr. Stevens:**

What was the cost of the distribution made on Supply and Services in advising Members and others with respect to the temporary measures taken by the government with regard to the distribution of government cheques (a) who received the information kit (b) what was the individual cost of the folders in which the five pieces of paper were placed (c) what was the total cost of the folders involved in the distribution?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) All members of parliament; (b) 36.5 cents; (c) $98.55.

SUPPLY AND SERVICES—RETENTION OF LAWYERS IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,617—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Supply and Services during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Nil.

2. Not applicable.

* * *

MOTIONS FOR PAPERS

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): I ask, Mr. Speaker, that all notices of motions be allowed to stand.

Mr. Speaker: Shall all notices of motions be allowed to stand?

Some hon. Members: Agreed.

[Mr. Cossitt.]

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Tuesday, December 2, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the third time and do pass.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, yesterday when this debate adjourned I was referring to the white paper and the conclusions reached in the white paper. I indicated that in my opinion most Canadians would agree that something should be done about inflation and the rising cost of most of our commodities, and that they would welcome the intervention of the government in this regard. There has been much discussion of the Conservatives' proposal that there be only temporary intervention, as opposed to the government's proposal for a more or less indefinite intervention. In addition to that there has been considerable input from the general public who are now finding controls extending far beyond what they had envisaged.

I think there is interest now in having this legislation passed, not because the Canadian public is impressed with it but simply because they want to see the regulations to discover how badly they are going to be hurt and how much disruption will be caused in the country. Speculation as to how this legislation is going to work should end. When the regulations are published, the public will then discover how they will affect wages, salaries and other forms of income.

Mention has been made of prices and profits. Everyone knows that there is no control over prices, just as there is no control over profits. We all know that the government is going to do nothing about the fact that the banks increased their profits by 85 per cent in the last year. As far as the government is concerned, that is not inflation. So really, Mr. Speaker, almost everyone agrees that we are talking here about salaries and wages and other forms of income.

Teachers have now been put into a different labour category. Before this legislation was introduced, the teachers considered that they were paid a salary; certainly they did not relate themselves to the labour movement as such. However, they now find that they are being regulated by the pronouncements of the chairman of the Anti-Inflation Board even though regulations have not yet been published. The chairman of the board is saying to one group of teachers that their income will be restricted within certain guidelines; to another group of teachers he has made a different pronouncement. Thus, the teachers are totally confused as to what they can look for.

I have also had discussions with the other side in that particular dispute. The trustees and school boards want to know what the guidelines are because they, too, are scared that they will suffer from the very harsh penalties contained in this legislation if they take action that conflicts with the guidelines. I doubt whether that will be the case. I

doubt whether any board, union or management in this country will have any difficulty justifying a contract settlement in terms of any penalties under this legislation, because such negotiations will be out in the open and it will be very difficult to prove that these people ganged up just to defeat the objective of the government by coming into conflict with the legislation. In my view, that particular provision in the act will be reserved for very few cases. I was very interested to hear that the board is working very hard, before the legislation is passed, to find a case they can prosecute so as to sort of balance the scales, but they have been unable to find one.

The people who will be hurt by this legislation are not the school boards, producer boards or marketing boards, teachers, workers or any other group that is negotiating in public. They will be able to justify their position and negotiations will take place normally. Already the Anti-Inflation Board has allowed the postal workers a settlement that is considerably above the 10 per cent limit. I think very few negotiations will settle for 10 per cent; the settlement will be at least in the region of the cost of living, which is 13 per cent, and, as I say, I very much doubt whether any penalty will be applied.

So who is it, Mr. Speaker, who is going to get hurt? It will not be the banks, the mortgage companies, the insurance companies or wholesalers. Those who will be hurt are people unable to negotiate for themselves in any way. The government has indicated to the public that the minimum increase within the guidelines will be $600, and in committee this was raised to $750. We suggested that it should be $2,400 and that the minimum and maximum should be reversed, with $2,400 being given to the poor and the smaller increase to the rich. Most members of parliament would have agreed with that in their own case, to set an example. But this is not the case. The old age pensioner, the disabled, those living on the minimum wage or on fixed incomes in this country will not get the $600 or the $750 because the bill provides no method for giving it to them.

● (1510)

You can rest assured that the people who will get the $2,400 will be those who have the power to get such a raise. They will get the increase, but those at the bottom income levels will not. We are creating inequities, by this bill, in terms of the poor people of this nation. It is a disgraceful piece of legislation. This reminds me very much of the Postmaster General (Mr. Mackasey) talking about patriotism. I suggest that the cost of patriotism can be very high; many of our citizens paid very dearly for patriotism during the last war. This government apparently has made a decision not to bring forward any legislation in respect of our veterans to increase their allowances or pensions no matter what their needs may be. These people will have to pay again because of patriotism.

I remember the other side of the coin. During the last world war, farmers were asked to increase production as much as possible as their contribution to the war effort. They did that, and most continued to do so—I suppose on the basis of patriotism—for 20 years following the end of the war. Many of the farmers of this nation are still doing it. I hear members of this Anti-Inflation Board talking about looking at marketing legislation in this country. Let me quote just a few figures in regard to commodity prices and then ask whether marketing legislation is what the board should consider, or should this new board consider the fact that this government is making no attempt to control prices at the wholesale level?

This is a comparison of certain commodity prices in Manitoba from 1972 to 1975. It uses, as one example, a 16-ounce loaf of bread. Apparently, one pound of wheat yields one pound of bread. In 1972, one pound of wheat yielded 3.1 cents to the farmer. The wholesaler sold a pound of wheat in the form of bread for 23.3 cents. The retail price was 28 cents. This meant that the farmer was getting slightly over 3 cents, the wholesaler was getting slightly over 20 cents, and 5 cents was added on at the retail level. The retailer and the farmer were not making very much from a pound of wheat or a pound of bread but the wholesaler was making 20.2 cents.

In 1975, the farmers were getting 5.4 cents, the wholesaler was receiving 32 cents and the retailer was selling the pound of bread for 39 cents. The farmer was receiving about 5½ cents, the wholesaler was receiving about 27 cents, and the retailer was getting about 7 cents. This was still no big deal for the retailer and certainly no big deal for the farmer. The wholesaler was still doing very well.

One could make a similar comparison in respect of milk. The farm price for a quart of milk in 1972 was 18 cents. The wholesale price was 32 cents, with a 2-cent mark-up to 34 cents at the retail level. In 1975, the farm price has been 29 cents a quart, the wholesale price has been 48 cents, and the retail price has been 51 cents. The retailer is still making only 3 cents. So we cannot really blame the retailers for the high cost. The farmer is not making the big money on these commodities, but there is a very large mark-up before the product gets to the consumer and most of it is at the wholesale level. These are the things consumers will be looking at to see if there is any price increase: they will be considering the cost of food, the cost of energy and the increase in the cost of other commodities they have to buy no matter how poor they may be or how little they are getting.

After listening to the arguments I am shocked to find the Conservatives in the main are saying that the government must cut down on spending. What will the government cut down on? I suggest it will have to cut down on benefits to the low income people in this country. That is the segment of our economy that this government can most easily control, specifically in the way of minimum wage controls and assistance to our senior citizens and the disabled. In my opinion, this government will have to increase the income of these people to $740 per month. The government is not prepared to do this. After listening to Conservative members, I think the government will have to reduce these social benefits. It will not be able to pay $600 a month, never mind $740, so these people will receive less than now. But prices will continue to rise.

In the next few months I believe we will see a consolidation of the feelings of those who work for salaries and wages in this country. They will become collectively opposed to government intervention, to government interaction and to government boards and organizations. This bill will act against these people and in favour of their enemies. Their enemies will be those who are exempted from the provisions of this measure.

The government says it will control incomes at the profit level. I suggest there will be no apparent increases in profits but there will be great increases in the capitalization of the multinational corporations in this country. This may not happen in Canada, but these corporations will increase their capitalization as a result of this legislation. This increase will be paid for by the poor and the unorganized, those who are least able to look after themselves in our society.

If this is the government's answer to the free enterprise system, I suggest it should look very carefully at the confrontation it will force upon the people of Canada. It should look very carefully at its philosophy, because I am sure it will find there will be a decision on the part of those who have never supported the socialists in this country to consider seriously the idea of socialism, with equality and justice for all, providing for those who are least able to help themselves.

I look forward in the next few months to seeing many of those who are not supporters of unions joining what, in effect, will be a union of the people. I think they will in this way really become their brother's keeper in order to look after those who cannot look after themselves. I think they will align themselves with the union movement. We will very shortly see the teachers, the civil servants, and all those who have not to date been associated with the labour movement in this country, joining together in a move to fight for those not able to fight for themselves. With this bill, the government may find it has finally accomplished something we have not been able to accomplish for years; it will polarize the people of this country who wish to support the poor and the needy. If that is the result of this bill, then probably we should welcome it.

In the meantime, a great deal of injustice will be done to a large segment of the economy of this nation. Unemployment will increase, and a reduction in unemployment benefits to those out of work is an individual disaster. If we are not to give more money to governments, what we will be doing is cutting down unemployment insurance benefits and other types of assistance to those being hurt by this legislation. I am sure those who will administer this legislation have good intentions. I am sure the people working for the Anti-Inflation Board will have the best intentions and will do the best they can. I also think that generally the people in this country feel this bill will do nothing in their favour and is not a good piece of legislation. This fact is borne out by the poll taken in Quebec the other day which indicated that 72 per cent of the people are against the bill.

● (1520)

I think that when the regulations are published we will find the bill does not outline the contents of the regulations. No matter how bad the bill appears today, I am sure the regulations will indicate that the anti-inflation legislation of this government is not only a farce but is a dangerous, divisive piece of legislation that will establish classes in Canada which previously has not been the case.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I shall not take up very much time of the House in case those in the hierarchy of our party feel I am unnecessarily delaying the proceedings. I assure them I shall take only a few moments simply to refer to two ideas which I believe deserve consideration in any discussion of inflation. One thing I have in mind is the extensive use of credit cards and their effect on inflation. Credit is a good thing. However, when credit cards are wantonly distributed, it seems to me this is an abuse of a privilege if we wish to control inflation.

When people go to the stores they are more inclined to purchase items without realizing the price they will have to pay in the months ahead. They are inclined to buy impulsively in the knowledge that the bills will not come in for a month or so. I have a pocketful of credit cards. It seems almost as if I am packing a gun when I carry them around. I do not think one should have dozens of credit cards. A person's credit rating should be arrived at according to his ability to pay. Without going into detail, I think a study should be carried out on the effect credit cards have on the rate of inflation in our country and whether they should be distributed in the manner they are today.

I think I have said enough on that subject, although I could speak on it for some time. I shall now discuss my second point. This may involve a change in attitude. I refer to the effect the automotive industry has on our lives in this country. I know the leader of the New Democratic Party (Mr. Broadbent) would not dare touch a subject like this because the automotive industry is a sacred cow. So far as he is concerned, we must keep on producing cars every year and have a model change every year.

I say that in this country and on the North American continent—probably it is not so evident in Europe—we are living in a wasteful society. When we trade in our automobiles there is immediately a 25 per cent write-off in the first year. Everyone in our society likes to live like the Jones's, and this means they have to make up the 25 per cent they have lost in some other way. I suggest that at this point we should take a careful look at how we are living and decide whether we should continue to promote this planned obsolescence. We should consider whether it is necessary and whether it contributes to inflation. I suggest it does.

There are those who would ask what would happen to the people employed in the automotive industry. I have heard this from members of the House. Then immediately they get up and ask for more money for housing, and so on. Everyone is interested in that kind of policy. We should say "no more" to the automotive industry which is contributing to our being a wasteful society. The automotive industry should limit style changes to every two years instead of every year.

I drive a car. I have seen cars with 15,000 miles on them which the owners thought were good cars, but on which they lost a good deal of money when they traded them in. I do not believe a person should lose so much money on an automobile, because he then demands much more money from his employer. We might consider the effect this has on inflation. I suggest we must reorient our thinking. We all know the kind of "big sell" we get from the automotive industry.

I remember that when the late George Nowlan was in the House it was said that the people of North America did not want the small cars imported from Britain. However, small cars were imported from Britain and Germany and

then suddenly it was realized that there was a buck to be made and we became involved in the small car market. I suggest that the automotive industry should be made to toe the line. There is no reason why they should change the design of cars every year.

In my small farm operation we operate old tractors. How classy they look is not important. What is important is how effective they are. I think many people are interested in automobiles simply for conveyance. There are others who are interested in them for other reasons, and when they trade in a car which they thought was a good one, they find they take quite a loss. In such cases they ask for more money from their employers. I think we are perhaps part of a stupid society that will not shift from its old patterns. Why are we tied to the automotive industry. Why are we locked into it?

I think we should reverse our way of thinking and not be as class conscious as we are. We should not feel that we must change our car every year. If there are to be style changes, I suggest they should be made every second year or, better still, every five years. We thought we had an unlimited amount of energy then suddenly we became energy conscious. I think we could do something about inflation, but we would hit those who are big, those in the automotive industry. I cannot fight the whole automotive industry by myself, but I am suggesting that someone in the department could look into this matter and draft legislation making it mandatory to wear safety belts in automobiles. There are ways in which the government could act so as to make automobile manufacturers build smaller cars.

● (1530)

Mr. Speaker, I thank you and the House for the courtesy of allowing me time to take part in the debate.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Turner (London East)): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Call in the members.

The House divided on the motion (Mr. Macdonald (Rosedale)) which was agreed to on the following division:

● (1540)

(*Division No. 85*)

YEAS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Baker (Gander-Twillingate)
Basford
Béchard
Blais
Blaker
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Daudlin
De Bané
Demers
Douglas (Bruce-Grey)
Drury
Dupont
Dupras
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Harquail
Hees
Herbert
Holt (Mrs.)
Hopkins
Joyal
Kaplan
Lachance
Lajoie
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
Macdonald (Rosedale)
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Parent
Pearsall
Penner
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Turner (London East)
Watson
Whelan
Yanakis
Young—111.

NAYS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Caouette (Témiscamingue)
Clarke (Vancouver Quadra)
Crouse
Darling
Dick
Diefenbaker
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Elzinga
Epp
Fairweather
Forrestall
Friesen
Gauthier (Roberval)
Gilbert
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hnatyshyn
Hogan
Horner
Howie
Huntington
Hurlburt
Jelinek
Johnston
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lawrence
Leggatt
MacDonald (Egmont)
MacKay
MacLean
Macquarrie
Malone
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nystrom
Oberle
Orlikow
Paproski
Patterson
Peters

Messrs.

Ritchie	Scott	Symes
Roche	Skoreyko	Towers
Rodriguez	Smith (Churchill)	Wagner
Rondeau	Stanfield	Wenman
Rynard	Stevens	Whiteway
Saltsman	Stewart (Marquette)	Whittaker
Schellenberger		Wise
Schumacher		Woolliams
		Yewchuk—96.

● (1610)

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

NATIONAL HOUSING ACT AND CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AUTHORIZATION FOR CMHC TO MAKE INTEREST REDUCTION GRANTS, CASH GRANTS, ETC., TO ENCOURAGE HOUSE CONSTRUCTION

Hon. Mitchell Sharp (for the Minister of State for Urban Affairs) moved that Bill C-77, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, my minister wishes to express his regret to the House for not being here to speak to this bill personally. He has spoken with the House leaders of all parties, asking them to excuse him because of the demands of other urgent business, and their understanding is very much appreciated. He will read the transcript of the debate and is anxious to hear the comments of all hon. members, particularly opposition spokesmen. The minister will be back on Thursday night after his trip to Vancouver, where he is dealing with important matters related to Habitat '76 which has a high priority with the government. I am sure all hon. members will understand the urgency of his visit.

I would like to speak for a few minutes about the important principles which are embodied in the legislation now before us. Bill C-77 proposes changes in the National Housing Act which are necessary to give effect to the federal housing action program, one of the most significant initiatives in federal housing legislation in many years. It is a response to the whole range of housing problems facing Canadians in all parts of the country and in all walks of life. It is a broad and comprehensive plan, conceived within the framework of a national strategy which attacks inflation and rising living costs. It does not offer a single, magical device which will solve everyone's housing problem overnight.

I wish all our problems could be made to disappear with one wonderful gimmick, but that kind of solution is just not realistic and there is no point in pursuing it. That kind of solution is unreal because housing problems are many and different for different people, and have many and different causes. The achievement of our objectives, to give every Canadian access to good, affordable housing in a safe and satisfying environment, demands action on many different fronts. The federal housing action program provides that action in a planned and deliberate way.

[The Acting Speaker (Mr. Turner (London East)).]

There are people in this country who have real and urgent housing problems. Many of them are elderly people, some of them are the poor of our cities, some are mothers struggling to raise their children on their own, some of them are native people who have been alienated from the mainstream of our economic life. These people have the first claim on our help. The federal housing action program, by requiring private lending institutions to invest more money in housing, will free-up more federal funds for investment in the existing and successful housing programs which are designed to reach those people with the greatest needs. The minister met twice in recent weeks with the provincial housing ministers, and each time he confirmed to them that there will be substantially more money in CMHC's 1976 capital budget for those housing programs which we share with them—public housing, non-profit and co-operative housing.

We should remember, Mr. Speaker, while we are discussing new housing measures, that we already have in place an excellent array of programs designed to serve the needs of all Canadians. I should remind the House that for 1975 we allocated almost $390 million in federal funds for public housing projects, and I am happy to report that all of this money will be put to use before the end of the year. In addition, we committed more than $200 million for non-profit and co-operative housing. And we have given our undertaking to the provincial ministers that these funds, which are allocated to people with the most serious housing problems, are to be substantially increased next year because they are our number one priority, and always will be as long as there are people in this country who are inadequately housed.

If the old, the poor and the deprived have the most urgent housing problems, other people have problems too and are entitled to our consideration. These are people who are neither rich nor very poor, a group which carries a heavy share of responsibility and which, in many ways has been neglected in recent years. These are people who are earning between $11,000 or $12,000 and, say, $17,000. There was a time when families like these could reasonably cherish the ambition of owning their own homes. For many of them that ambition, that dream, is fading.

Neither the minister nor I ever contended that every Canadian as a matter of right was entitled to own a ranch bungalow on a 65-foot lot. But we do believe that everyone ought to have some options. If a young couple is prepared to save, to give up or postpone some of the things they want—a cottage, travel, a big car—and if owning their own home is their most important aspiration, they ought to have the chance to make it come true. The Assisted Home Ownership Program was set up to help people, particularly families of low or moderate income, to acquire their own homes. It has been the most popular and successful of any housing program in Canada.

In 1975 we have committed more than $460 million to help some 16,400 families to buy their homes. Now we are building on that success. We are increasing the benefits available to families with children in order to reach lower down into the income scale. At the same time, we are widening the program to make some benefits available to all Canadians, whether they have children or not, who want to buy modestly-priced houses. For these people, help

is in the form of a loan that reduces carrying costs during the first few difficult years of getting established in home ownership.

The new AHOP plan will not only help many people make the jump to home ownership; it will be a powerful stimulant for the production of moderately-priced housing. AHOP assistance, as hon. members know, is available only for housing priced within limits established by CMHC in each market area. When we first introduced AHOP, many people said they could not find homes within the price limits. They were right. Many builders said they could not build houses within the price limits. But they were wrong. When mortgage money got tight and AHOP was the only readily available source of financing, they found they could, after all, build good, comfortable houses within the AHOP limits. Many of these houses—the minister and I have seen them ourselves—are of a remarkably high standard of quality and design. The new AHOP program will help us more than ever before to shift housing production in this country away from the high-priced end of the scale toward good, affordable housing that most people need and want.

The bill now before the House would amend the act so as to give CMHC the authority to include existing housing within the terms of the AHOP program. This amendment would be used when funds and the supply of housing seem to warrant this change, but it is not proposed to take advantage of such an extension immediately. We have always maintained that people should have the widest possible choice about the kind of housing they occupy and their form of tenure as owners, tenants or members of co-operative organizations. The recent, very serious decline in housing for rental has restricted that choice for many people who would prefer not to buy a house or who find it convenient, for various reasons, to rent accommodation at certain stages of their lives.

● (1620)

[*Translation*]

The federal housing action program features additional measures to try and achieve economic workability in the rental accommodation market. Businessmen have been reluctant in the past few years to invest in rental housing, because in their opinion the yield of rents to be paid as compared to the cost of providing accommodation will not be sufficient to justify the necessary capital investments. According to trustworthy statistics, they are probably right.

Our rental housing action program is meant to provide lower income people with good rental facilities and owners with the necessary incentive to build houses. That program is now being improved through an increase in the help available yearly for moderate cost rental housing in the form of recoverable, interest-free loans. That help as a whole will still be provided pursuant to an agreement with the corporation in respect of rents and other conditions. Besides a better program of rental housing help, capital cost allowances under the Income Tax Act will remain in effect for two more years. These provisions will enable investors whose main business is not in rental housing to deduct from other income the losses incurred in rental housing investments. Those measures are an incentive to numerous professionals as well as other people with savings to invest in the rental housing business. Those people have always accounted for the financing of a substantial part of the rental housing stock. Even if that matter does not happen to come under federal jurisdiction, we are highly interested in the matter of rent controls, since it relates to our nationwide efforts to deal with inflation and wage and price increases. Following two meetings with the provincial ministers concerned, I am glad to inform the House that there was unanimous agreement to establish a provincial rent control board where none now exists. When the minister launched this debate, he intended first of all to make sure that systems of rent controls would be established throughout Canada with a view to a full implementation of the anti-inflation program. Secondly, to the extent possible, we wanted those programs to be implemented uniformly throughout Canada. Since a number of systems are already in operation, and all provinces had to cope with their own particular conditions, we think our target was reached.

[*English*]

While many Canadians have housing problems, we are, generally speaking, among the best housed people in the world. Hon. members who have had the opportunity, as my minister has, to see the quality of housing in Europe and other parts of the world, will, I know, confirm that judgment. The fact is that many Canadians are not only well-housed, they are overhoused. Many people bought their houses years ago, on long-term mortgages, at prices and interest rates which are now well within their means. They have built up a very substantial equity in their home and, when they decide to buy a bigger or a newer house they have the capital to bid house prices almost out of sight. This kind of trading has had a serious effect on the market in terms of inflating prices and creating an unrealistic demand. We do not blame anybody who can make some profit out of selling the family home, but we cannot afford any longer to commit a disproportionate share of our national resources to the expectations of well-housed people who are mainly interested in improving their capital investment.

The federal housing action program will slow down this merry-go-round of rising expectations by requiring that the most favorable credit terms—high ratio, low downpayment mortgages—will be available only for modestly-priced housing that falls within National Housing Act loan limits. People who want large and luxurious houses will have to put up at least 25 per cent of the money themselves.

I have been talking about housing in terms of people's needs because housing is essentially a social commodity. If we are going to serve people's needs properly, however, we have to approach it from a national, economic perspective as well as a personal and social point of view.

If we are going to ensure that there is enough good housing to meet people's needs from now until 1980—taking into account household formations and a number of other factors—we will have to construct a million new houses in the next four years. When this program was announced in the House a few weeks ago, Mr. Speaker, my minister expressed the government's commitment to this

goal and we are even more confident today that it will be achieved.

Our immediate target for 1976 is 235,000 starts. Hon. members opposite have had occasion, from time to time, to comment about my minister's optimism and it is a description which he cheerfully accepts. He is an optimist. He was an optimist when he undertook to achieve 210,000 starts in 1975, and he was still an optimist when some of the experts were saying we would not rise above 172,000. It is quite evident now that the pessimists were wrong and we are going to achieve our 1975 target of 210,000 starts—just as we are going to reach 235,000 in 1976 and a million starts by 1980. In fact, hon. members will recall that, seasonally adjusted, housing starts for October, 1975, were 276,000—over 100,000 more than the same month last year. I am pleased to report that the figure for November, 1975, is a high of 258,000 starts, which clearly means that we will achieve our target of 210,000 starts.

It is extremely important to the residential building industry to have this kind of commitment, beyond the annual year-to-year targets. Hon. members who are experienced as businessmen will recognize the advantage of being able to plan production over a reasonable period of time. If one knows what the market is likely to be, one can cut costs significantly and increase efficiency.

Our goal of 235,000 starts in 1976—an increase of some 25,000 over 1975—will mean 32,000 additional jobs in residential construction and in all the businesses and industries affected by housing. It will also mean that private lending institutions will have to significantly increase their investment in housing—at least another $750 million in 1976.

The minister has said, Mr. Speaker, that the government will require lending institutions to make these additional sums available. Some hon. members have expressed skepticism about this undertaking and have suggested the goal could not be achieved without compulsory legislation. Mr. Speaker, the minister has met with some of the most prominent lenders and has heard from many others, and I am pleased to inform the House that their reaction has been most co-operative. We have no doubt that the necessary funds will be forthcoming in the amounts we require. We will be establishing a monitoring committee to review performance by the private lenders and to ensure that funds are adequately distributed among the various regions of the country.

As the Minister has already advised the House, the Federal Mortgage Exchange Corporation will become active this spring, creating a secondary market for mortgages, making them more attractive as an investment and drawing more private investment into residential construction. In addition to an adequate supply of capital, one of the critical requirements in achieving our objectives will be a supply of serviced land where and when it is needed. One of the obstacles to opening land for residential development, Mr. Speaker, has been the reluctance of municipalities to encourage this kind of growth. For many municipalities, new housing, particularly low-cost housing, has imposed a demand for services that is not matched by new tax revenues. A number of federal housing programs and policies are designed to overcome these problems. Loans and grants under our sewage treatment assistance program have helped finance most of the facilities installed throughout Canada in recent years. This program, as hon. members will recall, was recently revised to make it more generous and more relevant to current problems. In particular, assistance was extended to cover storm trunk sewers when they were required to open up new land for housing. Under the federal housing action program we are going one step further and making loans available, not just for sewage treatment and trunks but for water treatment and mains where they will assist with new residential development.

● (1630)

As a further inducement to planned residential development and the encouragement of low-cost housing, the federal government will make grants of $1,000 to municipalities for each unit of medium-density housing built within local AHOP price limits. The minister has assured the provincial ministers that we will consult with them about criteria and will ensure, as far as possible, that these grants are administered in a way that is consistent with provincial priorities.

During the last federal-provincial housing conference we had a most useful discussion of various measures which provinces are using, or are contemplating, to speed up municipal processes of approving land development. It was generally agreed that, while this was a matter primarily of concern to individual provinces, it has become such a serious problem in many provinces that it assumes national importance. I agree that protracted delays in the approval processes are one of the most significant barriers to the achievement of our national housing goals, and we have offered to be helpful to the provinces in any way we can in sharing information about this problem and developing solutions.

I think these, essentially, are the principles of this legislation and the federal housing action program. It involves, first of all, a commitment by the federal government to a million new homes in the next four years. That means 235,000 starts and 32,000 new jobs in 1976. It will require private lending institutions to increase their share in the lending market, and I have indicated that we already have this assurance. It will mean increased private lending and substantially more mortgage money thereby being available for social housing programs such as public housing, non-profit and co-operative housing. It will make housing generally more affordable.

The AHOP and assisted rental programs are being revised and expanded. The new AHOP and assisted rental programs, along with new requirements restricting high ratio lending, will help shift housing production toward the lower end of the price range. The new assisted rental program and the extension of capital cost allowances will help restore economic viability to the rental market, thereby increasing production and helping to restrain costs. New loans and grants for water treatment and mains and new municipal grants for low-cost, medium-density housing will help speed up the development and servicing of land for housing.

There is one more matter provided for in this bill which is not directly related to the federal housing action program. It proposes certain amendments to the Central Mort-

gage and Housing Act regarding the appointment of the chairman of the board. This amendment is connected with recent initiatives which are intended to improve the co-ordination and integration of activities undertaken by CMHC and the Ministry of State for Urban Affairs. This amendment would assist this objective by making it possible for a senior officer of the ministry to act as chairman of the board of CMHC, providing the necessary link at the official level between the two agencies within the minister's portfolio.

I would just like to emphasize, before I sit down, that there is some urgency connected with the housing measures provided for in this bill. Many of the clauses provide for increased benefits that cannot be conferred until the bill becomes law. In the meantime, the effect may very well be for people to suspend activity under our existing programs, waiting for the new ones to come into force. I realize that some of these measures are rather complex and that they have important social, economic and financial implications requiring careful and deliberate consideration. Within these constraints, Mr. Speaker, I hope hon. members will deal with this bill as expeditiously as possible.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in rising to speak on this very important bill, let me point out that some of the measures contained in Bill C-77 are those which we on this side of the House have advocated for some time. Since the minister's announcement on November 3 we have had time to study his proposals in detail, and we find many failures in the bill. Speaking on the matter of private lending institutions directing an additional $750 million into the financing of new, lower and moderately-priced housing, as both the minister responsible and opposition critics have pointed out, this requirement is not accompanied by legislative sanction; it is simply a suggestion. A committee will be established to monitor the performance of private lending institutions.

This program is designed to increase the supply of mortgage funding made available for residential construction. It will likely fall short of matching housing supply with demand, on four broad fronts. It is interesting to note that in the report of the housing task force, completed in 1969 and presented to the prime minister of the day, it was recommended that the federal government seek to encourage and co-ordinate the efforts of private lending institutions to meet the vast majority of Canadian residential mortgages. It is unfortunate that more action was not taken in 1969, because if it had we would not have the same difficulties that we face today.

In the October "Mortgage Newsletter", issued by the Mortgage Insurance Company of Canada, it was noted that 26 of the 34 cities reporting indicated they were experiencing a shortage of supply of funds for builders. This indicates that there is a drastic supply problem in the availability of mortgage funding for builders interested in home ownership construction. Considering that the realignment of $750 million will only provide mortgage lending for between 20,000 and 25,000 new homes, the policy can be criticized for its basic inadequacy. This is further compounded by the fact that the government's program is encouraging high ratio mortgage lending, thereby further limiting the number of homes this sum can finance.

This program will do very little to encourage lending in multiple-dwelling construction. The same "Mortgage Newsletter" reveals that there is a slow demand among builders for apartment loans in 20 out of 34 Canadian cities. This factor simply reveals the lack of investment confidence in this sector, a lack of confidence undoubtedly caused by a poor annual rate of return during recent years, strengthened by investment concerns over impending rent control.

Because the AHOP program, which has become the crux of the government's housing policy, sets ceilings on both the percentage of income allocated to payments—25 per cent—and on the total cost of the dwelling purchased—approximately $35,000—there is little likelihood that persons qualifying for this program will be able to purchase anything but condominium apartments. Since this $750 million is set aside for middle and low income earners, and since these groups will only qualify for the purchase of multiple dwellings, the criticism becomes additionally germane to the over-all inadequacy of this program.

The encouragement of this redirection of funds may be entirely misdirected. Financial institutions arrive at their asset mix by looking, firstly, at total assets and, secondly, at the demand from builders for different types of loans. Since demands for loans are weak in the apartment condominium sector, there is no guarantee that if new funds are set aside they will be picked up.

On the suggestion that private lending institutions restrict their low down payment, high ratio, lending to newer and moderately-priced homes, let me state that this program will ease entry into the home ownership market by allowing individuals to purchase homes with down payments of as little as 5 per cent. However, while this program may encourage initial home ownership, it has three major shortcomings. First, by setting extremely low down payments, the government may be encouraging premature entry into the housing market at the expense of encouraging personal income savings. This gesture would be highly inflationary. Second, because down payments are so low, it is only natural to assume that the remaining principal on the mortgage will be extremely high. Once this large principal becomes subject to interest rates of 12 per cent and more, the monthly payments become exorbitant.

● (1640)

Even if loans are granted to individuals in order that they may meet the 25 per cent of income requirement, the over-all debt is still incurred. The proposal simply delays the repayment period and in no way guarantees that after five years the repayment will not cause an equal burden on the consumer. In short, this proposal could be making availability of credit too easy, and as such could lull the home owner into a sense of false security whereby he feels he can afford a home when he really cannot. Third, by directing AHOP and high ratio financing exclusively to new homes, the government is implicitly assuming that housing is simply an economic regulator, thereby neglecting the social component of housing policies.

Encouragement of entry into the multiple-dwelling market will have three consequences. First, the commitment to single-family home ownership is being thwarted by legislation rather than choice. The result is that Canada will be going in the direction of a nation of row houses. Second, the filtering down process which has been so integral to price stability and social mobility is being broken down. Traditionally, as houses grew older and their value diminished, they filtered down to families of progressively meagre means. Since the government is placing no legislative premium on occupancy of existing homes, low income earners will be forced into multiple dwellings, risking the possibility of being locked in to an apartment through to the future because of the repayment clauses of AHOP.

Third, emphasis on new home ownership at the expense of existing housing fails totally to take into account that prices on the existing home market set the foundation for prices in the new home market. Because the government is doing nothing to control the prices of existing homes, this program will have little effect on curbing upward price trends in the new home ownership market.

Maximum income restrictions and family size have been removed from the eligibility criteria for AHOP. People with children who are unable to keep their monthly payments under 25 per cent of their income will be eligible for a maximum interest reducing grant of $750. For others, interest-free loans sufficient to cover the difference between market interest rates and interest at 8 per cent will be made to subsidize monthly payments for a five-year period. These subsidies will be recoverable after this period at interest rates parallel to the homeowner's mortgage interest rates.

Furthermore, during this five-year period the subsidies will be reduced each year by one-fifth, or $20 per month—whichever is less—while at the same time ensuring that the borrower never pays more than 25 per cent of his income in PIT payments. These loans will only be made by CMHC when conventional loans are not available. This part of the program has obvious and glaring shortcomings and inequities. First, by floating eligibility irrespective of income or family size, the government is making no allowance for differences in equality of opportunity. In turn, the program does nothing to redress these imbalances. A large family obviously needs a large home, which invariably is more expensive and requires more extensive funding. Under this program, a large family with a fixed income will be treated in exactly the same way as a small family with the same income.

Second, once the five-year interest-free period has expired, families with children will be required to pay back this loan up to a point where their regular PIT payments plus loan payments do not exceed 25 per cet of their income. This means that a family of marginal means who became eligible for home ownership under AHOP will continue to pay 25 per cent of its income for housing even if the income is increasing. This undoubtedly will erode savings and the potential for bettering one's financial position.

For the family without children, the situation is even worse. Each year subsidies will be reduced by up to 20 per cent. If the borrower cannot repay this loan by the end of the five-year period, he is saddled with a totally non-subsidized PIT plus a high-interest debt. Because this measure simply eases credit, it therefore also facilitates debt and causes the erosion of future savings. In short, after five years borrowers may be faced with payments that are totally unreasonable, given their means. Third, private AHOP thus far has not been successful. Only $66 million in mortgage loans has been advanced this year under the program, yet what the government is saying is that it will substitute this failure for public AHOP and use this latter, marginally successful program, only as a last recourse. Fourth, this loan-oriented AHOP will not help those who at present are experiencing the brunt of the government's ineptitude in handling the housing crisis. Current home owners who are faced with an excessive interest rate and mortgage principal will not benefit at all from this program.

Now we come to the subject of interest-reducing loans. Interest-reducing loans under the rental assistance program will be increased from $900 to $1,200 per unit per year. These grants will be recoverable when either the property is sold or refinanced or at the end of the amortization period of the first mortgage. This step could very well increase apartment construction, while a special provision to extend tax exemptions on capital cost allowances could increase the supply of mortgage funds. However, because of the repayment stipulation certain side-effects will undoubtedly occur.

Repayment of loans upon resale or refinancing will undoubtedly keep rents down, in that it will discourage the practice of refinancing a mortgage on the basis of equity in an existing structure. This practice, in turn, has been used to justify rent increases. However, because builders will be reluctant to refinance, the availability of new funds for new structures will likewise be curbed. This will undoubtedly result in decreased construction and vacancy rates, which in themselves will increase rents.

Because the subsidies are repayable upon the termination of the amortization period of the first mortgage, builders will be faced with a massive debt at the end of that period. For example, a builder who owns a 100-unit structure and qualifies for a maximum subsidy will owe $3 million at the end of a 25-year period. Considering the fact that a builder has to keep rental rates very low in order to qualify, thereby minimizing his profits, it is very unlikely that he will be encouraged to build once he finds that in the future he will be faced with a debt that in some instances will be greater than his original mortgage loan. Therefore, while this program may appear to stimulate demand, after investigation it may prove to be very counterproductive and as such inhibit rental construction.

Next we come to the matter of the establishment of the Federal Mortgage Exchange Corporation on an operational basis by the spring of 1976. The enabling legislation for this corporation has been in existence for over three years. The Progressive Conservative party has pressed for this organization to be made operational for almost that long. Its purpose will be to buy and sell mortgages, thereby enabling the smaller investor to enter the mortgage market. This corporation could do much to increase the liquidity of the second mortgage as an investment vehicle, but its credibility at this point is somewhat lacking. The corpora-

tion's operation has been promised for three years. What guarantee is there that this is not another empty promise? The minister responsible has stated that this organization will have an operational budget of $75 million. This is both ironic and petty, when one considers that its budget was cut, when it was not even operative, by more than this sum. That was in the June 23 budget.

● (1650)

I should like to speak, now, on the provision of the $1,000 per unit grant to municipalities which approve minimum-density AHOP and rental assistance price limits, and the inclusion of loans for water facilities and mains under the federal land assembly program. There is no doubt that one of the main factors contributing to the housing crisis is the prohibitive cost and the unavailability of serviced land. The Progressive Conservative party has advocated the injection of $500 million to meet the crisis. Considering the fact that it costs approximately $30,000 to $35,000 to service an acre of land which would accommodate, on average, five single-family dwellings or eight multiple dwellings, it is quite apparent that the government's $1,000 per unit grant will not even come close to solving the problem of opening up serviced land properly. The problem of serviced land also rests on jurisdictional considerations. Municipalities are reluctant to zone property for low-cost housing because they will lose property tax dollars through the diminished property value.

As can be seen, the problem is very complex. The government's program, however, has done nothing to overcome these complexities by recommending consultation or co-operation with the municipalities and provinces. If anything, there is mounting evidence that municipalities are viewing the government's restrictions and stipulations as federal coercion. The result of this could be that little co-operation will be forthcoming from the municipalities on this aspect of the problem.

In introducing this discussion, it was stated that the basic thrust of the housing policy was relatively sound in so far as it attempts to stimulate supply. The encouragement of additional mortgage funding, while basically without clout, is nonetheless a worthy pursuit. The Federal Mortgage Exchange Corporation is a much needed organization that is long overdue. At the same time, it is imperative that more serviced land be made available in order that over-all construction costs can be kept down. The problem is that in this package the government has also inflated demand relative to supply.

In summary, many points in the program are counterproductive, cancelling each other out. Similarly, other programs are simply "more of the same". The government has assumed they can solve the housing problem through quantitative means, that is merely by extending or broadening existing programs, rather than looking for qualitative changes which can be exclusively aimed at real problems with long-term goals in mind.

On the subject of construction costs, at the present time, based on experience during the preceding year, construction costs are shown to increase at 2 per cent per month. The upper limit for AHOP assistance in Winnipeg is presently $33,000. The builder accepting an order today at that upper limit, and starting construction immediately, would find himself six months' hence with a completed house that, ready for occupancy, costs $36,960. In other words, he would have lost $3,960 on the sale.

Under the new federal housing program, rental subsidies under ARP are increased to $1,200 per rental unit per year. It is my understanding that such subsidies are interest-free for the period during which they are received. It is my further understanding that these subsidies become repayable to the federal government at such time as the rental building is refinanced at an interest rate and repayment periods still to be determined by the federal government. Receipt of these subsidies enables the owner to ease the financial burden of rent for occupants, charging rents lower than those normally required to maintain the economic viability of the project. By the end of five years, the difference between economic and market rents is estimated to be more than 20 per cent.

By the end of the same five-year period, the mortgage loan on rental projects must be refinanced because of five-year terms on such mortgages. Based on past experience, it would seem inevitable that such refinancing would have to be at considerably increased rates of interest, and this means an immediate increase in debt service costs. Therefore, the owner, at the end of five years, has a higher mortgage debt service cost, a loan of $6,000 per unit—$1,200 per year for five years—that he must repay to the federal government, and a rent structure that, with this added debt load, could be as much as 30 per cent below the economic rent.

These are some other fears expressed by builders in the Winnipeg area. They point out that there is no incentive for private members to co-operate in helping to ease the housing bottleneck. In fact, the government is very punitive in its implied course of action should the private lending institutions not follow the government's dictum. They say there is too much red tape in approving housing construction, and that this causes delays.

This is a point that I have raised numerous times in the House. A couple of years ago some of the developers in the Toronto area pointed out that the cost of housing could be cut in half if all the red tape were removed from the three levels of government. They pointed out that single-family housing could be provided in and around metropolitan Toronto at half the present cost of $40,000 plus, which is the average price, if only developers received co-operation from the government instead of restrictions and outright hostility. I have pointed this out to the Minister of State for Urban Affairs (Mr. Danson) on a number of occasions, but I do not know whether it has been discussed at the trilevel government meetings.

Developers in the Toronto-Montreal area made three main points. They recommended, first, provincial government financing of water and sewer services for privately-held land ready for development, aimed at flooding the market with serviced land so as to drive down the price of a serviced lot, now at a record high of $22,000 on average. Second, relaxation, at least in specified areas, of a long list of restrictions on new subdivisions, such as minimum lot sizes, the requirement of elaborate local servicing, and stipulations as to the type of building materials used. Third, elimination of federal and provincial sales taxes on

building materials, some of which have been partially removed.

That is quite a statement for developers to make, that if red tape is removed they will be able to build houses at half the present cost. The largest stock of available housing, reasonably priced, is the older home; but the increase in interest rates pushes them further beyond the means of potential buyers. In Winnipeg it takes up to six weeks to process a loan. By the time it is approved, the interest rate has increased from 10¾ per cent to 11¾ per cent. This adds to the already high cost of shelter.

Builders in the Winnipeg area also pointed out that the government has ignored the urban core erosion problem which exists in all cities. Previous experience has proven, and pilot projects have demonstrated, that a workable and economical solution can be found for these problems. The federal program is committed exclusively to medium-density housing, which means town houses and condominiums. This is the only type of home that has enjoyed marginal acceptance on the prairies.

The program also fails to deal with the necessity for continuity in the housing policy, and instead emphasis has been placed on unilateral housing programs by the federal government. Thus, I can say that there is nothing original about these measures. We have had stepped-up programs, expanded programs and resurrected programs, but no recognition by the government that adequate shelter is a basic right of all Canadians.

Mr. John Gilbert (Broadview): Mr. Speaker, Bill C-77 is unimpressive and fails to meet the housing needs of Canadians. It fails to meet the serious housing needs in four main areas: first, it fails to increase the supply of homes, more especially with regard to low and moderate income groups; second, it fails to solve the problem of the high cost of land; third, it fails to deal with the high cost of mortgages; and fourth, it does not reduce the high cost of homes.

● (1700)

I believe the minister is merely shadow-boxing with these four main problems facing Canadians today. I feel that the main thrust of the minister's legislation as expressed by the parliamentary secretary this afternoon is that the payment of subsidies to people under AHOP, the interest-free loans to developers for a period of time, and the capital cost allowances to rental entrepreneurs who are not developers, will not solve the housing problems of today. In fact, subsidies have proven to increase the cost of housing: they do not increase the supply and they certainly do not bring down the cost of housing.

In fact, I would say that the legislation as presented by the parliamentary secretary this afternoon is nothing but a sweetheart agreement between the Minister of State for Urban Affairs (Mr. Danson), the financial institutions, the developers and the rental entrepreneurs who are not developers, to persuade them to build more houses. The minister hopes that by adjusting the cash flow problems of purchasers, somehow these people will have the money with which to buy homes at very low cost and that will solve the shortage of housing today.

[Mr. McKenzie.]

I said that the minister is really shadow-boxing with the main problems, and in boxing parlance I am sure the financial institutions and the developers could say that he did not lay a glove on them, because he did nothing to direct the financial institutions to allocate a percentage of their investment portfolios. He has done nothing to control interest rates and he has done very little to increase the supply of housing. In fact, if the Minister of State for Urban Affairs were properly called the minister of housing, I would call him the minister of hoaxing and coaxing, because that is all he is doing with regard to the serious problems we face today.

We in the New Democratic Party, people in the Conservative party and those in the Liberal party—I think the hon. member for Spadina (Mr. Stollery) will agree with me on this—feel that there is a serious housing problem across the country. The minister is excellent at defining the problem of the serious housing crisis, he is overflowing with sympathy, but he is wrong in his solutions with regard to this problem.

It is rather ironic that the parliamentary secretary should lead off the debate today, because on Saturday of last week he made a speech in Montreal before l'association Provinciale des constructeurs d'habitation du Québec, and he agreed with all of us in the House that there is a serious housing problem. I shall read excerpts from his speech just to prove this point. He said that there are serious housing problems among the elderly, the poor, the native people, the sick, and others, and these people must receive priority attention from the federal government. I could not agree more. None of us could agree more with regard to this problem. He also said:

> Another situation that would not have seemed possible even a few years ago is that many people who are reasonably affluent can no longer afford to buy their own homes. I am talking about the middle-income group, people whose incomes today range from about $12,000 to $18,000 annually, and who used to represent perhaps the most active segment of the home-buying public. Up until a few years ago, these middle-income families—whose income then, in non-inflated terms, is about the same as it is today—could usually afford to buy a house. The price of moderate housing was about twice their annual salary, interest rates were much lower, and the monthly pay-out was not excessive in terms of income.

Today it is. How true that is. The speech continued:

> In most urban centres, the inflated cost of housing has far outpaced the concurrent rise in incomes. Families in the middle-income range find it difficult and often impossible to buy a house that costs as much as three times their annual salary and carries a mortgage at a much higher rate than ever before.

This is the parliamentary secretary setting forth the problem. What did he say about people who rent? He said the following:

> Rental accommodation, for example, is all but non-existent in some Canadian cities, and the already serious problem is steadily deteriorating. This situation demands attention.

The parliamentary secretary knows that the vacancy rate, according to CMHC figures published for the month of November, is 1.2. Is it any wonder the parliamentary secretary and all of us are concerned about the serious housing problem? The disappointing feature is the solution which has been set forth by this government. Let me give some figures. These figures were quoted by the parliamentary secretary in his famous speech of Saturday last. They had been earlier quoted by the Minister of State for Urban

Affairs on, I think, November 12 before the Property Forum in Toronto. I happen to read the speeches of these people, and the more I read them the more I think they realize there are serious problems. But I also realize they cannot solve the problems by the methods they are using. Quoting figures with regard to the supply problem which we have, the parliamentary secretary said:

> It is true that most Canadians have good or at least adequate housing, but recent statistics show beyond doubt that far too many Canadians have serious housing problems. For example, almost 825,000 Canadian families pay more than 25 per cent of their income for housing. In fact, more than 280,000 pay over half their income for housing.

That is over 50 per cent, Mr. Speaker:

> It is hard to believe, yet it is true that in this civilized country some 460,000 households have no sanitary facilities or, if they have, are required to share them with neighbours. Additionally, about 445,000 households are overcrowded even by minimum standards.
>
> And finally, it is a shocking fact that 120,000 households in this country are both overcrowded and lacking in their own sanitary facilities.

This is the problem we face in Canada today. The problem was ably set out by the parliamentary secretary this afternoon and persuasively set out by the minister before the Property Forum in Toronto on November 12. We have set forth the problem of supply, and it is a serious problem. The problem lies in the supply, in the cost of land, in the high cost of mortgages and in the high cost of houses. With regard to the cost of land, we have a serious shortage of serviced land and the days of the small builder are numbered. Land is controlled by developers and they release it at their own convenience. Their convenience is determined by the profits they can make. They release it when they can obtain the highest possible price. This is not only our finding but it is also the finding, through CMHC, of Peter Spurr who reported in the *Globe and Mail* a short while ago that the minimum profit developers make from one acre of land is $89,000.

● (1710)

Is it any wonder the developers control the land and release it when it is to their best advantage? Mr. Peter Spurr also pointed out in his report to CMHC that in the Toronto area 40,000 acres of land are controlled by 12 developers. I am sure that is shocking news to the hon. member for Spadina, because I know he is concerned about the high cost of housing. Land in the major cities is controlled by developers across the country—Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Vancouver—

Mr. Hogan: Is Cape Breton in there?

Mr. Gilbert: —and Cape Breton. The developers control it and release it when it is to their best advantage. That is the problem with respect to the cost of land. The parliamentary secretary had no answer today on the high cost of land. He did not say that the federal government would infuse large sums of money into the housing program in order to buy land, so they would have control of it and release it for building purposes, more especially to low and moderate income people. There is no mention of any help to control the high cost of land.

My third point is the high cost of mortgages. In committee a few days ago, I asked Mr. Teron, president of CMHC, what the prevailing interest rate would be in the next six months, and he said 11¾ per cent to 12 per cent. He gave no assurance of a significant downturn in the next few years, and he is probably right. The Housing and Urban Development Association of Canada—HUDAC—stated on November 14, in an article in the *Globe and Mail*, that the interest rate would probably be 12¾ per cent for the next 18 months. They said:

> This is largely due to the fact that continuing inflation will induce lenders to include this factor in establishing their rates.

Madam Speaker, the president of CMHC agrees with HUDAC that we will have a minimum interest rate of 12 per cent. This is certainly not a very happy situation for most people who buy homes. I get a gut-twitching feeling, Madam Speaker, about this. Surely some of these financial institutions and private lenders must feel they are not bordering on usury but practising usury. The problem of high mortgage rates was set forth in an article in the Toronto *Star* within the last month. It was stated that in Toronto the average cost of a home was $57,500, and if a person had $17,500 for a down payment—which is most unusual—it would leave a $40,000 mortgage at 12 per cent interest. They would pay $413 a month principal and interest for 25 years, making a total of $141,150—$83,650 of it in interest charges. Can you imagine that, Madam Speaker: a person buys a home for $57,500 and at the end of 25 years he will have paid $141,150, of which $83,650 will be interest? The article says that to carry that mortgage, the family income, by the accepted rule of thumb, should be $19,804. The average family income in Toronto is only $15,742.

The same article set forth solutions to control interest rates. I would underline, again, that the legislation has nothing in it about controlling interest rates, and in fact the Anti-Inflation Board is doing nothing about it. That is one of the reasons so many of us oppose Bill C-73. The writer said we should take a leaf from New Zealand's book, where interest rates are 5.5 per cent on a 30-year term. There is not a country in western Europe with the high interest rates that we have here in Canada, yet the government does little or nothing about it.

I said a moment ago that the cost of a home in Toronto was $57,500 in the month of October; in November it went up to $59,325, and the cost of a condominium town house in Toronto is now $48,609. The parliamentary secretary and his officials in the gallery should note that fact. The hon. member for Spadina realizes that under the AHOP program the regional limit for Toronto is $43,000, and he and other Liberal members must pressure CMHC and the minister to increase regional limits across the country. In Ottawa the limit is $35,000. That is not sufficient to meet the cost of housing today. The spokesman for the Conservative party pointed to the same problem in Winnipeg.

What is this government doing? We have a CMHC capital budget, and in the past few years the government has said, "We are going to attempt to get into social housing fields, and we are going to make sure that people in low and middle income brackets are taken care of." May I point out that in 1970, 24.3 per cent of the CMHC budget was for public housing; in 1972 there was a tremendous thrust and it went up to 37.3 per cent. Then we got the AHOP program in 1973, and public housing in 1974 dropped from 37.3 per

cent to 19.2 per cent. That indicates to me that the AHOP program is not helping people on low incomes who should be sheltered by public housing. It is giving subsidies to people on moderate and high incomes, many of whom are not entitled to it. The priority should be given to low income people.

There should be a tremendous thrust in public housing. But what do we find? We find the minister hoaxing and coaxing, trying to persuade the builders by adjusting the AHOP subsidies and making interest-free mortgages on rental housing available to them, and by trying to give rental entrepreneurs tax advantages. In a speech on November 3, the minister, in his eloquence, was persuasive and sympathetic. He said the government would see that the banks and private institutions are required to direct their mortgage financing to new and moderately-priced housing and would require an extra $750 million from them.

● (1720)

We thought he used the word "require" because he wanted to bring in legislation directing the financial institutions to apply part of their investment portfolios to housing. We asked the minister questions about this and he said, "No, we will attempt to persuade them." This afternoon the parliamentary secretary said that the government will set up a review committee to monitor the flow of these moneys. I was happy to hear the hon. member for Winnipeg South Centre (Mr. McKenzie) say, "This very suggestion was in the Hellyer task force report in 1969."

An hon. Member: And many other good recommendations.

Mr. Gilbert: The government wants to persuade financial institutions to apply moneys to housing. I remind you, Madam Speaker, that earlier in 1975 the minister said he would persuade financial institutions to apply an extra $1 billion to housing. How much money was made available? He received an extra $300 million, less than one-third of the amount he hoped to get from our financial institutions. Then he came to this House and said, "I will require them to do this." When it came down to it, he said, "No, I will persuade them and set up a monitoring committee." Even at that, the $750 million extra will provide no more than 20,000 homes. How will that meet the housing crisis? Will that amount overcome the shortage of supply? Not for a minute, Madam Speaker.

Look at the profits the banks have recorded for 1975. They make me sick to the stomach. They have earned many millions of dollars, but the minister has not the drive, enthusiasm or gumption to make financial institutions toe the line. Is it any wonder some say he has entered into a sweetheart agreement with them concerning their financial commitments?

The government says that it will require lenders to restrict the most favourable credit terms, that is, high ratio, low down payment mortgages, to moderately-priced housing within local NHA loan limits. I suggest that subsidies have not increased supply, but merely price. According to our best evidence, regional limits now imposed on the AHOP program will need to be increased substantially, if the program is to work at all. I am sure that only a minuscule amount of help will be forthcoming.

The minister persuaded provincial governments to initiate residential rent controls in line with the federal government's anti-inflation program. The parliamentary secretary told us this afternoon that all provinces have agreed to some form of rent control. If the minister was concerned about residential housing, he should have persuaded the provinces to put restrictions on commercial construction as well. I say this for a good reason. If I know developers, once the provinces impose rent controls on residential construction, they will build commercial buildings as there are far greater profits to be made in that area. We shall see more shopping centres, more commercial construction and developers making high profits. If the minister seriously wanted to tackle this problem he should have persuaded provincial governments to control residential rents and commercial construction. But he did not do so and that is unfortunate.

The talk you hear of the target of one million homes in four years is nothing but a Liberal gimmick. Last time the minister was speaking of one million homes in five years; now we are to see one million homes in four years. How is this target to be met? The government has made some great suggestions concerning mortgages. Apparently the Federal Mortgage Exchange Corporation is to be in place by April 1, 1976. I remind hon. members that the former minister of national revenue, now the Minister of Justice (Mr. Basford), piloted this bill through the House in 1973. My party voted against it, thank goodness. Our studies of the program and conversations with the former president and officials of CMHC confirm one thing: it will not bring down interest rates or increase supply. The corporation will help to package CMHC mortages in order to permit their more effective distribution to financial institutions; that is all the Federal Mortgage Exchange Corporation will do.

The other half of the bill had to do with setting up a mortgage insurance company. I recall it very well. I do not know if many mortgage investment corporations have been established, but I do know that according to a *Globe and Mail* report the Bank of Nova Scotia lost a great deal of money in the United States. The minister, who then was minister of national revenue, ought to know that the Bank of Nova Scotia lost at least $150 million in the United States under REIT—Real Estate Investment Trust. As I say, the Bank of Nova Scotia lost $150 million. Imagine that. The Bank of Nova Scotia showed no social responsibility. It sent its money to the United States and lost $150 million on REIT because there was a drop in interest rates south of the border. On the other hand, the Minister of State for Urban Affairs says, "Please, fellows, put a certain amount of money into Canadian housing."

An hon. Member: "If you don't, we will force you."

Mr. Gilbert: What a performance! Let me now deal with the legislation which the parliamentary secretary brought forward today. He said that we are to make great changes in the AHOP program. In the past, in order to qualify a couple needed to have at least one child. This will no longer be the case. The government will see to it that the 12 per cent mortgage rate will be lowered to 8 per cent for

those who qualify so that they may have a fair chance to buy a house. Further, in the case of a family with two or more children which cannot meet the 25 per cent ratio governing payments, the government will increase its allowance from $600 to $750. This will really be of great help. To those who do not qualify within these limits, the government will say, "We will give you an interest-free loan for five years, after which you will begin repayment at the prevailing rate of interest." The government hopes that this will help the AHOP program to succeed.

What is our position, Madam Speaker? We say that subsidies in themselves will not solve the housing problem as they are given to the purchaser and passed on to the financial institutions. Really, that is all that happens. The government is saying, "We will make sure that your effective interest rate is 8 per cent. We will give you a subsidy of 4 per cent which you will pass on to the financial institutions." Would it not have been far better if the minister had said to this country's financial institutions, "Interest rates shall be 8 per cent"? That is all the minister had to say. I suppose our institutions would have said, "But we cannot lend money at 8 per cent interest." Madam Speaker, is it not Canadian money? Surely, financial institutions are under the social obligation of providing Canadians with mortgages at decent interest rates. Considering their high earnings, such mortgages would make only a slight dent in their profits.

● (1730)

Again, Madam Speaker, the AHOP program, with the subsidies entrenched in it, helps people with moderate and high incomes. To qualify for a mortgage in Toronto under AHOP you have to earn at least $19,000. I am sure there are many in the riding of the hon. member for Spadina who do not earn that amount. A higher income will be necessary if the price increases above $43,000. I have heard it will be at least $48,000 in Toronto. This legislation will not do a great deal with regard to increasing supply and it will not help people with low incomes.

We need public housing. In this respect we had a substantial drop to 19.2 per cent in the 1974 budget. I think the government reached the height of this inadequate program when they suggested special capital cost allowances to persons who are not developers but who invest in rental projects, permitting them to charge investment losses against their incomes and thereby reduce taxes. I am sure the hon. Member for Davenport (Mr. Caccia) and the hon. member for Spadina (Mr. Stollery) want to hear just what this capital cost allowance is all about. I did a little work on it. Here is an article which indicates the gouging that goes on. It says Winnipeg-based Richardson Securities of Canada sold an issue in September for private investment in a low-income, multiple-unit housing development. For an investment of 15,000, in the first year someone in the 60 per cent tax bracket could get a reduction in income tax of $15,000 because of the shelter. This is the capital cost allowance provision. If you are in the 60 per cent bracket and you invest in this and get a capital cost allowance, you have a saving of $15,000 on an investment of $15,000. If that is not a rip-off in favour of the rich, I don't know what it is.

What is this going to cost the Canadian people? An official of CMHC says the program will ultimately cost between $50 million and $60 million a year. I do not have the figures—we will get them in committee—but I would wager that $50 million or $60 million far exceeds any of the subsidies under the AHOP program. The minister threw a few tidbits to the municipalities. He said, "We will give a $1,000 grant to municipalities which approve medium-density housing within the reach of AHOP, and assisted rental price limits." This will be of little or no help to the big cities, though it may be of some assistance to the small cities.

This idea was presented before the provincial representatives on housing and they showed little or no enthusiasm for it. We were told, "We are going to give loans and grants to municipalities for water treatment facilities and to municipalities where they are needed to open up land for housing." So what does the parliamentary secretary to the minister do? This could help the development of raw land. He said, "We are going to put a limitation on it to April 30, 1980." Why the limitation? I hoped the parliamentary secretary would have told us how much money they were going to give to it. There was no mention of the amount of money which was to be put into this program. But they put the limitation on.

Hon. members have a right and a duty to ask what we in the New Democratic Party would do. The first thing we would do would be to strike at the fundamental causes of the high cost of housing. We would strike at high interest rates. We would strike at land costs and we would make sure we had an adequate supply of housing, especially public housing, co-operative housing and non-profit housing. We would see to it that the financial institutions were legislated into applying a percentage of their investment portfolios to housing on the simple reasoning that they have a social responsibility to all Canadians to see they are decently housed at reasonable cost.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Gilbert: We would do it not only to the financial institutions but to the pension funds. I have always noticed that the minister has talked about pension funds. The pension funds have money, and if that money can be applied to housing, they should not come under the umbrella. With regard to land costs, we are in the grip of the developers. I have pointed out how necessary it is for the government to get right into the land development business and acquire those lands, control them and release them when they are needed. This would bring down the high cost of land. Then again, we in the New Democratic Party would set up a building corporation. At the moment, we are still at the mercy of the builders. A building corporation could see to it that the main needs of people in the low income group were taken care of.

I heard the minister say he had visited Europe, and so forth, and that we in Canada are very fortunate to be so well housed. Madam Speaker, I have been in England, I have been in France, Germany and Sweden. The main thrust in housing in those countries has been in the direction of public housing. In London, the county councils build public housing for people, at reasonable rates. You get it in France, Germany and Sweden. What do we do here? We give a low priority to public housing and we try to sugarcoat the people who are buying AHOP properties

by offering them subsidies. All they are doing is passing on subsidies to financial institutions. We do nothing with regard to controlling interest rates. Really, it makes me sick that we have to debate legislation like this bill presented by the government.

The parliamentary secretary wound up by saying that housing is a social commodity. We could not agree more. So are schools, so are hospitals, and so, probably, are churches. If it is a social commodity, housing at reasonable cost should be a basic right of all Canadians. Yet there is nothing in this legislation which would see to it that housing is a social commodity and a basic right at a reasonable cost for all Canadians. I do not like to vote against things, but this is certainly one piece of legislation I shall vote against.

An hon. Member: Surprise, surprise.

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, the government has finally let us look at what it apparently feels is the answer to the long-standing problem of exorbitant housing costs, astronomical rents and the serious lack of housing starts. I have been waiting patiently for a chance to give my enthusiastic support to the government's housing bill, but now that I have seen it I can only say that my long wait was in vain. This is a motherhood bill, pure and simple. In politics, just about everyone hastens to support motherhood issues, with the possible exception of those who beat the drum for abortion on demand. Believe me, this bill is motherhood in capital letters. The large print in this measure says to us, "Pass this bill and everybody will have a beautiful home, complete with picture-window, and a big, fat mortgage at 13 per cent interest." Instant housing, Madam Speaker!

● (1740)

But when we get to the small print we find that this legislation is chock full of pitfalls, angles and ambiguities. It is a cop-out. It is just another example of what this government has proven it does so well. Give this government a problem to solve, and just as in the case of the anti-inflation boondoggle, they appoint a few Liberal faithful to some high-paying jobs with impressive titles, and turn them loose. Among the first things they do then is to try to dazzle us with outrageous budgets of hundreds of millions of dollars, and try to convince us that they will spend us out of the problem if we will just give them enough time and enough money.

Under this bill the government is going to get private lending institutions to divert $750 million into the housing market, specifically into lower and moderately-priced homes. Just how do they propose to do this, Madam Speaker? Well, so far they have not told us how they propose to get financial institutions to alter their operations plans, or how they propose to get these institutions to invest in low-yield ventures. We are just told that this is what the government plans to do and it is left at that.

Does the government think that we are so unsophisticated that we will accept this idle statement as government policy? Does the government think that this country's lending institutions are so vulnerable to this type of veiled threat that they are going to rush headlong into the low and moderately-priced housing market? Of course not, Madam Speaker. To begin with, this is a free enterprise society, or at least it still bears some resemblance to free enterprise. People in our society invest in ventures that are reasonably secure and provide the highest possible yield. There is nothing wrong with that. After all, this is not government money we are talking about, it is private money and it would be a serious mistake for the government to impose restrictions on where this money can be invested.

We are all familiar with the investment pattern of Canadians in the past. In their search for secure investment opportunities, Canadians have invested heavily in ventures and properties in the United States. At the present time some $25 billion has been invested in the United States by Canadian investors, some of it not too wisely as the hon. member for Broadview (Mr. Gilbert) said. What is the government going to do if private lending institutions will not divert large blocks of capital to the low-cost housing market, Madam Speaker? Are we going to have legislation spelling out what these institutions can invest in, under pain of having their funds confiscated?

Madam Speaker, what is $750 million, anyway? As a famous Liberal cabinet minister said a while ago, "What's a million?"—and that was at a time when a million was a hell of a lot more money than it is today. That is about enough to build 20,000 homes, hardly a figure for the government to be shooting at as far as housing starts are concerned. We need hundreds of thousands of starts, not a paltry 20,000. Perhaps the government should have said that private lenders would be asked to divert $7 billion or $8 billion into housing funds. Then the genius at the head of Central Mortgage and Housing Corporation could just lean back in his chair and let the housing problem solve itself.

This bill ignores the underlying causes of inflation in housing costs by not attempting to deal with the question of serviced land. It has been known for many years that certain builders across the country, especially in urban centres, have gained control of all of the available serviced land, and if another smaller builder wants to build houses he has to buy land from the developer, or small groups of builders, who control the land. We have a classic case of that practice in the Ottawa area. A good friend of the Liberal party, Robert Campeau, is said to own 9,000 acres of land in the Ottawa-Hull region, and if any other builder wants to buy any of that land he will have to pay Mr. Campeau's price. It is also reported that Mr. Campeau will reap a whopping $14 million a year in rents from the federal government when the latest development complex in Hull is completed. Right now he collects about $9 million per year in federal government rents. It sure helps to be a friend of the Prime Minister (Mr. Trudeau) and his crowd.

On November 20, my colleague, the hon. member for Prince George-Peace River (Mr. Oberle), gave us an insight into the background of another good friend of the Liberal party and its power brokers, the president of Central Mortgage and Housing Corporation. This is the man who decides housing policy for Canada, a man who has made a career of building high-priced luxury home developments. We are now led to believe that he is terribly concerned about the plight of those who can only afford relatively inexpensive housing. This man does, in fact,

dictate housing policy. I appreciate Mr. Teron knows what he is talking about and I am not downgrading his ability as a builder of many hundreds, probably thousands, of houses.

Mr. Campeau is quite an operator. His vice-president in charge of residential housing was until recently mayor of Ottawa. Another former mayor of Ottawa was made a director of this corporation, and now he is back on the Ottawa city council. Of course, Campeau has been a major contributor to Liberal party election war chests, and it is not just a coincidence that he is able to borrow from the government to build high-rise office buildings on some of which he draws rent from the government even before the buildings are ready for occupancy. We certainly cannot overlook the close ties that once existed between companies owned by the president of CMHC and Campeau. We are told that the president's companies are now in a blind trust, and so we are expected to have blind trust in his objectivity as Canada's housing czar.

I cannot help wondering how many centres across the country are blessed with having their own Campeaus doling out serviced land to the builders, setting prices that have to be reflected in higher housing costs. I also wonder what part this kind of monopoly ownership has played in the past few years in escalating the cost of housing to the point where a large percentage of wage earners in Canada have been priced out of the housing market.

While the government passed over the big builders and those who hold the bulk of the serviced land, they did tell us who the real culprits are, and it is a typical Liberal ploy. The white paper on housing that the Minister of State for Urban Affairs (Mr. Danson) released on November 3 tells us that it is the people who bought homes several years ago and who now want to move up into something bigger and better who are driving up housing costs. We are told that these people have profited by inflation and that they drive housing prices out of the reach of their less fortunate fellow Canadians, those who are in real need.

It might be true that some people have profited by inflation in housing costs, but it is also true that these home owners did not create inflation in the first place. The Minister of State for Urban Affairs is not doing anyone a service by passing the inflationary buck to a small group of people who discovered that housing costs had become inflated and that they could realize a handsome profit in the sale of their homes.

The plain fact is that the lots on which these homes were built had become inflated in price, and consequently the combined home and lot had increased in value far in excess of the true value of the home. We have seen the cost of serviced building lots increase in the past few years from about $1,500 in some areas to $20,000, and in some cases to $30,000 and more. I am sure my hon. friend from Broadview (Mr. Gilbert) will bear out the fact that good building lots, when available in the city of Toronto today, are in the $35,000 bracket. Just a few years ago this represented the total cost of a pretty nice home, situated on a nice lot. When we consider the ceiling on homes that qualify for AHOP loans as an example, we find that this ceiling represents the cost of only the lot that a prospective home owner proposes to build on. The only way that AHOP can be effective in getting families into low and moderately-priced homes is for the program to be flexible enough to allow the regional bureaucrats to judge each AHOP application on its own merits.

● (1750)

With the variations in both availability and price of homes from one part of the country to another, and with the almost day to day changes in the cost of houses and lots, there is no way that a fixed set of rules can be applied to a program designed to help people break the logjam of inflation and get into decent homes.

As long as Campeau and others in his category are in the driver's seat of the housing market, and as long as they are able to affect housing policy by controlling the market, all the housing policies we approve in this House and all the millions we pour into housing programs will serve only those people who already are being served. We will be serving those who can afford the going price for homes and the interest rates presently being charged on mortgage balances. An example of this was earlier given by the hon. member for Broadview who cited the fact of a $57,000 home, with a $40,000 mortgage for a term of some 30 years, costing $140,000.

It has already been shown that the only low and medium-priced homes available in any quantity today are condominium apartments, and we know by experience that when condominiums become the rage, the price will skyrocket. I believe this was also referred to with respect to the situation in the Toronto area where the price is already in the range of $46,000. This is a vicious cycle and unless we find a way to break that cycle the government's latest dream of one million housing starts in the next four years will be just that—a dream.

Some of us had the privilege of talking with and questioning the minister when his estimates were before the miscellaneous estimates committee. That was on November 27, at which time I had the opportunity of posing a few questions. I will concede that the minister did have a temporary program providing $500 housing grants as a carrot to get the people to buy homes at these high prices. These grants were limited to new homes and the expiry date was November 1, I believe. The minister did extend that program, because of certain circumstances, to the end of this year. As a loss leader possibly this has been successful.

I asked the minister about the possibility of extending this program as it did not create a tremendous burden on government revenues and the government was certainly getting more than its investment back. However, the minister decided against that. The minister is to be commended for the $1,000 grant program per housing unit in high-density areas. This certainly would relate to individual homes on lots that are not too large. Certainly this part of the program will be of tremendous benefit and I give the minister full credit for it.

The program involves $1,000 for each unit in the municipality. It has been downgraded by some speakers, but I feel it is worth while and will be a tremendous shot in the arm for many municipalities which have been dragging their feet or, in plain English, have just not had sufficient funds to provide necessary services to certain lands and have had to say no to any builder or developer wanting to take part

in such a construction program. It will also be a special incentive to many small builders, and I think we should assist small builders, starting out, to build one or two homes. This program will enable them to provide the housing which is so necessary in many parts of rural Canada.

The limited development housing plan which will provide grants of up to $900 per apartment or unit will again provide low-rental housing. In my riding of Parry Sound-Muskoka, builders big, medium and small are not interested in building homes for rent because they cannot get sufficient rent from them. This is just not a viable plan for those builders. The only housing of any consequence in small towns in my area is the housing provided through the Ontario government. I concede that the federal government is providing the lion's share of the money.

Great emphasis should be placed on senior citizens' apartments and low-rental housing. In my own area, the council which I had the honour to head for some 26 years was the first in the Parry Sound district to go after these grants for low-rental housing and senior citizens' units. We did make a small accomplishment just prior to my election to the House of Commons. While I was still involved with that municipal council, we obtained a further commitment from the Ontario government, and I believe there will be a senior citizens' apartment unit, with 24 apartments, opening there next month. This is a great boon to an area such as mine, my hometown of Burks Falls.

More important—and I want to point this out to the government—many of the senior citizens who are moving into these new, available units are moving from presently occupied homes which they cannot afford to maintain and heat, or even to pay the taxes on. I understand these units will become available for rent in December, so that by next spring there will be an additional number of older houses available. Of course, this is older type housing but I think this provision will certainly be worth while.

Madam Speaker, may I call it six o'clock?

The Acting Speaker (Mrs. Morin): It being six o'clock, this House stands adjourned until tomorrow at 2 p. m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 4, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR TABLING OF DOCUMENTS CONNECTED WITH INVESTIGATIONS INTO SKY SHOPS, MIRABEL AND OLYMPIC VILLAGE—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity. Pursuant to the provisions of Standing Order 43, I move, seconded by the hon. member for Capilano (Mr. Huntington):

That the Solicitor General, for the benefit and information of members of parliament, table forthwith copies of all documents which are now public, including warrants obtained by the RCMP in regard to the current investigations in respect of Sky Shops, Mirabel, the Olympic Village and related matters.

Some of these documents have already been exhibited on CTV national news, and some of which are in my possession.

Mr. Speaker: Pursuant to Standing Order 43 the motion cannot be put without unanimous consent.

Some hon. Members: No.

Some hon. Members: Agreed.

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ANTI-INFLATION BOARD

REQUEST FOR STATEMENT OUTLINING DETAILS OF ADVERTISING CAMPAIGN—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity arising from information provided today that the Anti-Inflation Board plans to spend half a million dollars to launch the publication of regulations concerning the government's wage and price control program on or about December 15.

I therefore, move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the Minister of Finance to make a statement in the House at the earliest possible date explaining the details as to how this one-half million dollars is to be spent including how much will be allocated to both salaries and advertising, with particular reference to the amounts going to individual advertising agencies.

Mr. Speaker: Order, please. The motion cannot be presented without the unanimous consent of the House.

Some hon. Members: No.

Some hon. Members: Agreed.

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[*Translation*]

ENVIRONMENTAL AFFAIRS

SUGGESTED STUDY OF PROBLEM OF DRINKING WATER AND REQUEST FOR REPORT—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning an urgent and important matter.

Since the report of the Legendre Commission, which reviewed the legal aspects of water administration in Quebec, has just sounded the alarm by demanding urgent action and by describing the pitiful management of this resource, over which pollution has taken control, since the provincial and federal legislation in this regard is confused and obsolete, since jurisdictions are not clearly defined and since the lack of sound management of clean waters could jeopardize whatever action could be taken to solve that problem, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the House immediately examine the problem of the quality and the use of water and go beyond simply remodelling water legislation, by setting up efficient protective measures, applicable regulations and a serious information campaign among the public and the industry.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

OLYMPIC GAMES

SUGGESTED CONSULTATIONS WITH MONTREAL AND QUEBEC TO SOLVE PROBLEM OF FINANCING—MOTION UNDER S.O. 43.

Mr. Roch La Salle (Joliette): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion on an urgent and important matter.

Considering the financial difficulties the organizers of the 1976 Olympic Games have; in view of the fact that the initial estimates are largely below reality for all kinds of

reasons; that alone thousands of Quebecers will have to foot the bill; finally, that the honour of Canada is at stake and that it would be unfair to leave Quebec alone to hold the bag whereas from the beginning the federal government has been supporting and favouring these games in Montreal, I move, seconded by the hon. member for Edmonton West (Mr. Lambert):

That the federal government take steps to organize a meeting with Montreal and Quebec officials to find a fair solution to the problem of the financing under conditions the government will find appropriate.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR CLARIFICATION OF GOVERNMENT ATTITUDE TOWARDS FORCE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion of urgent and pressing necessity arising from the very serious accusations made recently against one of the world's finest democratic police forces by the Minister without Portfolio, and from the fact that the Prime Minister has not seen fit to dissociate himself from these statements about the RCMP which stand unproven, and therefore slanderous. I would move, seconded by the hon. member for Lethbridge (Mr. Hurlburt):

That the Prime Minister advise the House forthwith whether the statements concerning the RCMP made by the Minister without Portfolio represent the attitude and policy of his government, or whether government policy is more accurately represented by the rebuking words spoken in this regard by the Solicitor General, and if the latter is the case, that the Prime Minister on behalf of the government forthwith apologize publicly to the RCMP and at the same time advise the House what date is already tentatively set for the appointment of the Minister without Portfolio to the Senate.

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

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ANTI-INFLATION BOARD

SUGGESTED REVIEW OF SALARY OF CHAIRMAN—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a non-controversial motion under Standing Order 43. In view of the government's concern about breaking inflationary psychology in Canada and Anti-Inflation Board Chairman Jean-Luc Pepin's statement yesterday that the "board has deliberately taken a tough initial stand on wage demands" and that "everyone has a bit of suffering to do", I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instruct the Anti-Inflation Board to determine whether or not the $54,000 salary of Mr. Pepin is in line with his own statements about individual suffering and rough justice.

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar.

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HUMAN RIGHTS

PROPOSED CREATION OF OFFICE OF OMBUDSMAN—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the passing of Bill C-73, the anti-inflation bill, by the House yesterday and the anticipated royal assent thereof in the very near future, and since this legislation vests unprecedented powers in the hands of the administrator and the Anti-Inflation Board affecting the rights of the ordinary citizen of our country, and having regard to the fact that prior to the introduction of Bill C-73, the size of the government bureaucracy had already attained such dimensions as to pose substantial problems of citizen's rights under government regulations and orders, I move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

That this House, in the interests of the civil rights of citizens of our country, direct this government to immediately introduce legislation creating the office of an ombudsman.

Mr. Speaker: Order, please. The motion cannot be put without unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION BOARD

REQUEST FOR CLARIFICATION OF POLICY STATEMENT BY CHAIRMAN—DATE OF PUBLICATION OF REGULATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance arising out of the report this morning that the chairman of the Anti-Inflation Board said in Toronto that the board has deliberately taken a rough initial stand on wage matters and will later soften its approach. Will the minister explain what the chairman has in mind or is this just an indication, to borrow an eloquent phrase used by the chairman of the board, that it is simply an indication that the board is prematurely dying with its brains on.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the government has appointed the membership of

the Anti-Inflation Board and the House has passed the legislation whereby the board will carry out its mandate. I think the board chairman and members will have to determine the role they are to carry out within the statutes and within the regulations that will be provided for them from time to time. As I said, in response to the hon. member for Oshawa-Whitby, it does not seem to me it would be useful for me to give interpretations from time to time of decisions or statements the board makes.

Mr. Stanfield: Mr. Speaker, might I ask the Minister of Finance whether he intends to abrogate his responsibility completely in terms of reporting to this House in respect of policies pursued by the board. My question relates not to a decision but to a question of policy. If the minister does not want to answer that question could he tell us whether the regulations to be initially issued under the bill that received third reading yesterday and now goes to the Senate are now ready. If so, why is the government not prepared to issue them in draft form, for example for the provinces to consider and for others to comment upon?

Mr. Macdonald (Rosedale): Mr. Speaker, on the question of reports, the bill provides specifically for reports to the House by the Anti-Inflation Board, and it seems to me that is a sensible course of action. The regulations are not yet complete in a number of respects and depend on the outcome of discussions occurring today with the provinces.

Mr. Stanfield: Mr. Speaker, I simply serve notice to the minister that I am sure members of all opposition parties will expect the government, and particularly the minister who reports to the House, to respond to questions in the House with regard to policy being implemented by the Anti-Inflation Board.

Some hon. Members: Hear, hear!

Mr. Stanfield: I want to ask the minister whether he is just going round and round in circles, whether the provinces will not agree to commit themselves until they see the regulations and the government will not issue the regulations until the provinces express their views about them.

Mr. Macdonald (Rosedale): With respect to the turn of phrase about going round and round in circles, if the hon. gentleman is referring to himself and his party, I agree; yes, they are.

Some hon. Members: Oh, oh!

Mr. Stanfield: I ask the Minister of Finance whether we will get straight answers on whether these regulations will be issued to the public or whether they will continue to be held up on some excuse such as that they must be first presented to the provinces. Is the minister prepared to deal openly with the House and with the country?

An hon. Member: For a change.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, I have dealt openly with the House and with the public on all aspects of the program and I will continue to do so. I would just remind the hon. gentleman, who is a lawyer, that after all we must have royal assent to the bill before the regulations can be promulgated.

Some hon. Members: Nonsense.

INQUIRY WHETHER BOARD MONITORING PRICE CHANGES PRIOR TO OCTOBER 14—REQUEST FOR REPORT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, yesterday or the day before the Bank of Montreal, in its monthly review of business, suggested that part of the increase in CPI for October was due to some increases or anticipatory increases by some major businesses prior to the announcement on October 14. Can he tell us whether the Anti-Inflation Board has been monitoring these changes and is it prepared to say at an early date whether that is so?

Hon. Donald S. Macdonald (Minister of Finance): With regard to changes that occurred before October 14, of course there was no indication of legal control until that time. However, I have had the attention of the board drawn to the suggestion in the bank reports that changes have occurred since October 14 which might require its action.

Mr. Lambert (Edmonton West): If the minister would remember that the Food Prices Review Board was monitoring a good many prices of commodities, he would have that information. Will he insist to the Anti-Inflation Board that it should be their first priority to monitor these particular prices, and, if so, would he expect to report to the House as requested by the Leader of the Opposition?

Mr. Macdonald (Rosedale): I would remind the hon. gentleman, with regard to his reference to the Food Prices Review Board, that it imposed no legal sanction whatsoever with regard to any price increases that occurred before October 14. With regard to the priorities being exercised by the board, in response, for example, to requests from various provincial ministers, they have been directing themselves both to certain questions of compensation that are outstanding and to price problems.

INQUIRY WHETHER POLICY STATEMENT BY CHAIRMAN IN LINE WITH GOVERNMENT POLICY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance concerning government policy as it affects the Anti-Inflation Board. Since both the minister and the Prime Minister have made statements earlier concerning the early decision of the board with reference to their singling out of particular targets, is government policy in line with the statement attributed to Mr. Pepin "It's their bad luck that they were the first on the list" with reference to any early decision, for example, on the teachers settlement in Toronto? Is it the minister's view that this policy now administered by Mr. Pepin, which seems to contradict everything in the history of Canadian jurisprudence, is in fact the policy of the government?

● (1420)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, certain compensation discussions, for example, the Toronto teachers and the pulp workers, have been submitted to the Anti-Inflation Board at the request, in some cases, of one or both of the parties involved, and it is very appropriate that the cases submitted with a sense of urgency to the board should be decided upon by the board. In that sense, I think Mr. Pepin's comment was perfectly sound. These groups may feel that they are unfortunate in the sense that the decisions in their cases happened to come up first, but it is a fact that this has occurred, and that there has been some considerable pressure both from provincial governments and the general public that there should be an early clarification on this point.

VIEW OF MINISTER OF JUSTICE ON POLICY STATEMENT OF CHAIRMAN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question is to the Minister of Justice. Since Mr. Pepin's point was not that the board was simply reaching an early decision on a case which was presented to the board before other cases, but was reaching it in a tougher way than was going to be reached, presumably in subsequent decisions, I should like to ask the Minister of Justice if it is his view that such an approach is consistent with the application of Canadian law, which historically has meant that similar situations would be dealt with in a similar way?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, it is in accordance with the law passed by parliament yesterday, I believe.

Mr. Baker (Grenville-Carleton): It is not.

Mr. Baldwin: It has not been passed yet.

Some hon. Members: Oh, oh!

SUGGESTION BY MR. BIDDEL THAT REGULATIONS MIGHT BE CHANGED—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): I should like to try again with the Minister of Finance on a final supplementary. Since Mr. Jack Biddel, a member of the Anti-Inflation Board, suggested at the same meeting in Toronto yesterday that, to use his phrase, there will be drastic changes in the regulations or the law we have just passed,—this was not clear—and since he is alleged to have said there might be a provision to permit small companies to take a tougher stand with the work force, I should like to ask the minister if Mr. Biddel was reflecting government policy, and if so, when we might expect the further changes he alluded to.

Hon Donald S. Macdonald (Minister of Finance): The bill is quite precise in that regard. Only under the specific circumstances referred to in the bill, namely, after reference first to the Anti-Inflation Board and then comment by the board in a report to the cabinet that there would be any additions to the list of categories of firms to which reference was made. In that sense, the suggestion that companies could voluntarily opt into the program is not covered by the statute and therefore is not government policy.

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[Translation]

ADMINISTRATION OF JUSTICE

REQUEST FOR INQUIRY TO ENSURE MAFIA HAS NO INFLUENCE ON JUDGES

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Solicitor General.

As Mr. Justice Bronsard of the court of appeal decided to relieve Vic Cotroni of the obligation to appear as a witness before the CIOC, like all the other Mafiosi, thus threatening the seriousness of the work of the commission, could the minister make an in-depth inquiry into our judicial system to make sure that the Mafia has not extended its tentacles even into our courts?

[English]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there is no need to do that. The Royal Commission in Quebec is proceeding at the present time, and we are co-operating with that commission.

* * *

[Translation]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR REPORT ON ALLEGED LEAKS TO PRESS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary to the Solicitor General.

With regard to inquiries, can the minister tell the House whether he has completed his inquiry into the RCMP, which was advised ahead of time to go to the office of the Minister of State, the hon. member for Langelier? Has the minister been advised of the results of that inquiry, and does he know whether there was really a leak, attributable to either the RCMP, the press or the CBC?

[English]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the Royal Canadian Mounted Police are still following leads with respect to that matter.

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ANTI-INFLATION BOARD

INQUIRY AS TO GUIDELINES GIVEN TO BOARD BY GOVERNMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I return to the question asked by the Leader of the Opposition and the uncertain reply of the Minister of Finance. May I ask the minister first whether any draft guidelines have been placed before Mr. Pepin and his board indicating what the government believes should in

fact be the guidelines? When I have an answer to that I will have a supplementary.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the guidelines are as set out in the white paper which was made public to parliament and to the country and which the chairman has been following in the course of carrying out his mandate. The question of regulations and their content has been discussed within the government of Canada, of course. There has been consultation with regard to some of the problems that can occur with various sectors of the community which would be affected by them and we have had consultation particularly with the board that would have the responsibility of carrying them out. They have not been finalized as yet.

REQUEST FOR CLARIFICATION OF POLICY STATEMENT BY CHAIRMAN

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question. Does the minister want the country to understand that the general regulations are so elastic that Hamletlike, Mr. Pepin, as reported in the press today, can say that the initial stand on wage demands will have "an element of rough justice" and that the board will later soften its approach? Is that the position the government takes? I ask the minister if it be such and if Mr. Pepin spoke for the government, then how does anyone know at any time what the regulations will be? To me, it is a most complex situation and either Mr. Pepin spoke from transcendental meditation or just plain nonsense. I ask the minister, therefore, is it not a fact that as a result of the uncertainties of this statement by Mr. Pepin there can only be confusion more confounded. Nobody will know when and if the law is in force or not. As a matter of fact, the teachers have no more idea today what the results will be. Surely, the minister can be clearer than he has been up to now, particularly in the answer given to the Leader of the Opposition which was totally unjust.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I suppose I really should not have to repeat to the right hon. member, who has been a long-standing and distinguished member of the bar, that this parliament has passed a bill which, when it receives royal assent, will become the law of the country. That bill sets out the general framework of the policy of the government with regard to the anti-inflation program. Under that bill there will be authority to make regulations which, as the hon. gentleman knows, cannot be made definitive until the bill has received royal assent. When it is assented to, then there is legal authority to make regulations. It will be under those regulations that the Anti-Inflation Board will have the responsibility of carrying out its role. I suspect that before very long we will be having complaints from the right hon. gentleman that the regulations are too detailed rather than not detailed enough!

Oral Questions

ROYAL CANADIAN MOUNTED POLICE

SKY SHOPS INVESTIGATION—RELATIONSHIP TO INVESTIGATIONS OF MIRABEL AND OLYMPIC VILLAGE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Solicitor General. Can the minister state definitely, despite any statements that have been made up to this point, whether the current investigations, not only the Sky Shops affair, but those linked as well to Mirabel, the Olympic village and others, through documents obtained in warrants of search and seizure taken from the various premises of Senator Louis Giguère, are all related?

Hon. Warren Allmand (Solicitor General): I cannot say that publicly, Mr. Speaker.

Mr. Hees: Out in the woodshed.

SKY SHOPS INVESTIGATION—POSSIBILITY OF CHARGES BEING LAID AND TABLING OF DOCUMENTS SEIZED

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, a supplementary question. Without asking the Solicitor General to specify any individuals at this point, could he at least confirm to the House that several charges are imminent as a result of investigations in progress to this point, and if he decides not to table some of the documents I asked for, would he assist me in gaining unanimous consent of the House so I might table some of them?

Some hon. Members: Hear, hear!

Hon. Warren Allmand (Solicitor General): Mr. Speaker, with respect to the laying of charges, the hon. member should know that this is done by Crown prosecutors under the jurisdiction of the provincial governments and not by myself or by the Minister of Justice for Canada. With respect to his first question, he should also know that by asking questions about police investigations in the House of Commons he is not helping the police but those who are being investigated.

* * *

● (1430)

CONFLICT OF INTEREST

GOVERNMENT VIEW OF NEED FOR ACTION IN VIEW OF SKY SHOPS INVESTIGATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct a supplementary question to the Prime Minister?

Mr. Trudeau: I did not hear the first one.

Mr. Baldwin: I hope he still has his sense of humour.

Mr. Trudeau: I don't know if you are as funny as your leader was.

Mr. Baker (Grenville-Carleton): At any rate, I see the Prime Minister smiling.

Mr. Baldwin: Mr. Speaker, ignoring for the moment the question of criminal investigation and charges on the issue of public morality and conflict of interest, as laid down in the guidelines brought down from on high by the President of the Privy Council two and a half years ago dealing with members of parliament, is it the Prime Minister's view, in the light of facts disclosed and in his possession, that the time has now come for the government to take action?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member talks about facts in my possession. I assure him I have no more facts than are printed in the newspaper, and considerably less. As to action, I am not certain what the hon. member is implying, but I assure him that as far as I am concerned, and it is the position on this side but apparently not on the other side, in this country a man is innocent until he is proved guilty.

Some hon. Members: Hear, hear!

Mr. Baldwin: A supplementary question, Mr. Speaker. Is this, then, the position of the Prime Minister and government on the question of conflict of interest and public morality: that not until criminal charges are laid and a conviction is obtained will this government intend to take any action?

Mr. Trudeau: Mr. Speaker, if the hon. member takes the trouble to look at the guidelines, he will see how they apply to himself.

Mr. Baldwin: I have looked at them.

Mr. Trudeau: Read them. The hon. member will see the position of the government. It is not just a matter of relying on criminal charges. If he wants to make a specific allegation about any particular member of parliament, any member in this House or the other who broke the guidelines, I should like to hear him make the charge.

Some hon. Members: Oh, oh!

Mr. Baldwin: Where is your sense of humour?

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ROYAL CANADIAN MOUNTED POLICE

SKY SHOPS AND MIRABEL INVESTIGATIONS—DATE OF COMMENCEMENT OF INVESTIGATIONS—INQUIRY WHETHER SEPARATE INVESTIGATIONS CONDUCTED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a question to the Solicitor General which arises from the answer the minister gave on October 28, as reported on page 8609 of *Hansard*. On being asked by the hon. member for Joliette a question concerning an investigation into the alleged $60 million fraud at Mirabel, he answered to the effect that no investigation is going on at the present time. In the hope of clarifying the answer of October 28, I ask the Solicitor General to confirm that five days before the hon. member for Central Nova tabled his petition regarding this matter, no RCMP investigation was being conducted into the Sky Shops affair and related matters, and into the Mirabel matter as well.

[Mr. Baker (Grenville-Carleton).]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there were several incidents and they should not be confused. There was an investigation into the Sky Shops affair and there were also allegations with respect to the construction at Mirabel. But there was no question about Mirabel until that allegation had been made to the RCMP. They were evaluating the allegations, to see if an investigation should proceed. With respect to construction at Mirabel, I will have to check with the RCMP again, to see if that investigation is now under way.

Mr. Woolliams: A supplementary question, Mr. Speaker. Will the Solicitor General make clear if there is any relationship between the investigations concerning Sky Shops and the Mirabel projects, generally? Is the same investigation being undertaken with reference to the two projects, or interrelated projects?

Mr. Allmand: Mr. Speaker, as I said in answer to an earlier question, we do not make public the details of police investigations in the House of Commons or elsewhere.

Mr. Woolliams: A final supplementary question, Mr. Speaker. I am not asking for details. I merely seek clarification. The minister has already admitted that an investigation is going on. Does the investigation cover the Mirabel projects, as well as Sky Shops? Is this being done under the same investigation? I am not asking for details.

Mr. Allmand: Mr. Speaker, on that point alone, I will have to check with the RCMP.

Mr. Trudeau: Don't give him the answer.

Mr. Stanfield: Covering up, eh?

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CANADIAN BROADCASTING CORPORATION

REASON FOR BROADCASTING LATE NEWS FROM VANCOUVER TO NORTHWEST TERRITORIES—REPETITION OF PROGRAMS

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Secretary of State. Is any direct attempt being made by the federal government to destroy natural trading links between Alberta and the Northwest Territories, by forcing on the territories television from Vancouver? As well, will the people of the north be given the privilege of listening to the late night news on time, as now it is heard after midnight in the Northwest Territories.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, there is no conspiracy, but I will look at the question more carefully.

Mr. Malone: A supplementary question, Mr. Speaker. How can the minister explain the rationale for duplicating in the Northwest Territories three hours of television? The three afternoon programs are shown again in the evening, much to the discontent of the people in the community.

Mr. Faulkner: Mr. Speaker, that particular problem is now under investigation by the CBC.

AGRICULTURE

MARKETING BOARDS—REQUEST FOR CLARIFICATION OF CONFLICTING ON APPLICATION OF ANTI-INFLATION GUIDELINES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. As the Minister of Finance, the Anti-Inflation Board and officials of the Department of Finance have already said that marketing boards for hogs, potatoes, soy beans, corn, tobacco, fruit and vegetables for processing, industrial milk, fresh fruit, fresh meat, broilers, turkeys and eggs shall be subject to the guidelines, and that costs in each case will be controlled under the cost rules pertaining to prices; and as the Minister of Agriculture said in a speech last night to the County of Holsteins Club at Lindsay, Ontario, when referring to farmers, "That's one of the reasons why the government has not moved to control the prices farmers receive for their products," was he talking through his hat, or was the Minister of Finance wrong in what he was doing?

Hon. E. F. Whelan (Minister of Agriculture): Because, Mr. Speaker, most products which are under marketing boards are well within the guidelines which are provided for labour and other forms of commercial life in this country. Our farmers are restricted who sell their produce through price fixing boards. Other boards are not touched because they do not have any price fixing powers vested in them, so essentially they can do nothing to them anyhow.

REQUEST MINISTER INFORM ALBERTA COW-CALF OPERATORS ON STABILIZATION PROGRAM

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question, Mr. Speaker. May I ask the Minister of Agriculture to review his speaking schedule, meet the National Farmers' Union in Edmonton next week and tell the Alberta cow-calf operators whether he will have a cow-calf stabilization program ready and in place in January, 1976, as he earlier intimated? What progress has he made with the provinces in this matter, and can he say if such a stabilization program will also be subject to the guidelines?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have already told the NFU and the Unifarm people in Alberta that I will be unable to attend their convention because I have other commitments. I only received notice a couple of months ago and I make commitments nearly one year ahead of time.

Mr. Benjamin: Mr. Speaker, on a point of order—

Some hon. Members: Ten o'clock.

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ANTI-INFLATION BOARD

INQUIRY WHETHER POLICY STATEMENT BY CHAIRMAN IN LINE WITH GOVERNMENT POLICY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question to the Prime Minister relates to the questions three front bench members asked about the statement which Mr. Pepin, chairman of the Anti-Inflation Board, made yesterday. I shall make it simple. Can the Prime Minister tell the House this afternoon whether the policy enunciated by Mr. Pepin yesterday is or is not government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to know what Mr. Pepin said. I do not think anybody in this House knows, apart from what has been reported in the newspapers.

Mr. Baker (Grenville-Carleton): What did Mr. Pepin say?

Mr. Trudeau: You don't know.

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REGIONAL ECONOMIC EXPANSION

NEW BRUNSWICK—REQUEST FOR ASSURANCE MULTIPLEX WILL NOT BE PHASED OUT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is to the Minister of Regional Economic Expansion. I gave the minister notice this morning. Will he assure members of this House interested in the welfare of New Brunswick that the joint federal-provincial industrial expediter, known as Multiplex and jointly funded by the two governments, will not be phased out for lack of federal government funding?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, first I should like to thank the hon. member for having given me notice of his question. When that corporation was set up by the two governments it was created on an experimental and temporary basis. The support it enjoys proves its considerable success. The two governments are now negotiating the formula they could adopt to extend its activities. But the hon. member must recognize, as all of us must, that the corporation, as set up now, is only temporary and that it cannot pursue its activities much longer, as it does at the present time. However, I repeat that the two governments want the corporation to continue its work, probably on another basis; but no decision has yet been reached by the two parties.

● (1440)

[*English*]

Mr. Fairweather: Will the other mechanism that the minister speaks about include federal government funding?

Mr. Lessard: Mr. Speaker, I cannot give a definite answer at this point because, as I just stated, we have not reached a final conclusion in our discussions on that matter.

Oral Questions

EXTERNAL AFFAIRS

POSSIBLE APPOINTMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS AS AMBASSADOR TO SCOTLAND

Hon. J. A. MacLean (Malpeque): Mr. Speaker, perhaps I could have the indulgence of the House for just a moment to point out that we have a very distinguished visitor in Your Honour's gallery in the person of Mrs. Ewing, a Scottish nationalist member of the United Kingdom parliament.

Some hon. Members: Hear, hear!

Mr. MacLean: Against that background, I would like to ask the Prime Minister a rather good-natured question. In light of the apparent imminent independence of Scotland, is it the intention of the Prime Minister to appoint the Secretary of State for External Affairs as Canada's first ambassador to Scotland?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think there are many people on this side of the House who would be prepared to volunteer for such a job. We are not suggesting that is the direction events will take. If they do, we have contingency plans, including my wife who is a Scottish nationalist.

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—GOVERNMENT POSITION ON COMPLETION OF SALE IN VIEW OF NEGOTIATIONS FOR REPROCESSING PLANT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Prime Minister. In view of the strong protest made at Tuesday night's meeting of the External Affairs committee concerning the impending sale of a Canadian nuclear reactor to South Korea and precisely because South Korea has recently purchased a reprocessing plant from France which will give Korea the capacity to build a nuclear device, is the government determined to complete that sale without a further review of the wisdom of this policy, as advocated by many people in Canada, including the distinguished Canadian, General E. L. Burns?

Right Hon. P. E. Trudeau (Prime Minister): With respect, Mr. Speaker, I believe the Secretary of State for External Affairs answered questions along similar lines not more than two days ago.

Mr. Roche: Precisely because the issue was raised at the External Affairs committee meeting, I will again put the question to the Prime Minister. With respect to the trustworthiness of South Korea, with whom we will be signing an agreement, has the Prime Minister examined the reports by impartial international observers such as Amnesty International, the International Commission of Jurists, the International League for the Rights of Man and the World Conference of Religion for Peace that are highly critical of the Park regime?

Mr. Trudeau: Mr. Speaker, these are the kinds of representations that could usefully be made when the minister is in attendance before the committee.

[Mr. Lessard.]

ENVIRONMENTAL AFFAIRS

REQUEST FOR FUNDS FOR FRASER VALLEY FLOOD CONTROL PROGRAM

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is to the President of the Treasury Board. It follows on an answer given yesterday by the Minister of the Environment to the hon. member for Fraser Valley West. She stated that the Fraser River flood control program has been seriously eroded by inflation. I can understand that. She further stated there is a plan to come to Treasury Board for more funds for that program. Will the minister give this high priority in view of the fact that a dyke broke yesterday in the eastern part of Surrey and the South Westminster district is facing imminent flooding? I have a supplementary question to the Minister of the Environment. Will she give this high priority when she receives the funds?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, evidently when we are dealing with emergencies like that one, we take the necessary steps if we have to pay for our share of responsibilities. As far as the total budget of this department is concerned as well as those of other departments, I hope the hon. member will inform the leader of his party that he is pressing us to spend more money.

* * *

[*English*]

AIRPORTS

CONCESSION LEASES—REASON FOR RENEWAL OF KEBEC RESTAURANTS' LEASE WITHOUT TENDERS BEING CALLED

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is to the Minister of Transport. In view of the fact that the Director of Airport and Field Operations has stated in writing that it has always been departmental policy to invite "general public tenders" on the granting and renewal of lease concessions at airports, can the minister explain how it was possible that Kebec Restaurants was able to have its lease at Dorval renegotiated and renewed on three separate occasions without any such tenders being called?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the statement is accurate as a general rule. Indeed, it was applied in those terms in this case. According to my information, the lease in question, hon. members will be happy to learn, was first granted in 1961. It was a lease for five year terms with subsequent options of two successive five year additional terms. That was the nature of the lease at that time.

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[*Translation*]

ADMINISTRATION OF JUSTICE

REPORT OF CONGRESSMAN BEARD ON INTERPOL—POSITION OF SOLICITOR GENERAL

Mr. René Matte (Champlain): Mr. Speaker, I wish to pose a question to the Solicitor General.

A member of the American Congress, Mr. Edward Beard, declared last week that he is preparing a bill aimed at restricting the power of Interpol, a private international police agency. This decision follows an eight-month study of a report on Interpol, which clearly demonstrates the Nazi history of that agency and points out at cases when it violated the rights of individuals and groups by broadcasting false information. Considering that the same report has been made available to the Solicitor General since March 1975, would he advise the House if he has completed the study of the report and, if so, when will he report to the House? If he has not, why has the study not been completed?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, this matter was raised in the Justice committee the other day on my supplementary estimates. We provided certain information to the committee. I might say that we have no information to the effect that Interpol is doing what was suggested by the hon. member. I am willing to investigate this further and report back to him.

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ENERGY

NELSON AND CHURCHILL RIVER HYDRO-ELECTRIC PROJECTS—APPLICATION OF MANITOBA HYDRO FOR EXPORT PERMIT

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. It concerns the Manitoba Hydro project for exportation of hydro-electric power from the Nelson and Churchill River projects to the midwest United States. Construction of that 230,000 KV line from Ridgeway, Manitoba to Sprague, Manitoba, has begun by Manitoba Hydro. There are survey crews and expropriation and the construction of transmission towers has begun. Has Manitoba Hydro applied for an export permit? If so, has it been approved and if not, why not?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot tell the hon. member whether such an application has been made. I can tell him, however, that there will be meetings at the highest level next week to discuss this and related matters.

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ADMINISTRATION OF JUSTICE

ALLEGED HALTING OF CONSTRUCTION OF TRANSMISSION LINES BY MANITOBA HYDRO FOR VIOLATION OF NATIONAL ENERGY BOARD ACT—GOVERNMENT ACTION

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct a supplementary question to the Minister of Justice. As construction has been halted on the transmission lines as it appears on the surface that Section 40 of the National Energy Board Act has been violated by Manitoba Hydro for beginning construction before the export permit was approved by the National Energy Board, has any legal action been taken against Manitoba Hydro?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I would like to examine with my officials the legal implications of that question.

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ENVIRONMENTAL AFFAIRS

POSSIBILITY OF SIGNING AGREEMENT WITH BRITISH COLUMBIA TO PROTECT OKANAGAN REGION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is to the Minister of the Environment. Can the minister report progress on her continuing struggle to protect the environment of the Okanagan Valley, at least to the extent of having signed the implementation agreement setting out the five year program arising out of the three year study of the Okanagan Regional Water Board? There is a growing fear that this modest, long-range, essential and eventually money saving program has been sacrificed because of restraint.

Hon. Jeanne Sauvé (Minister of the Environment): No, Mr. Speaker. That agreement has not been sacrificed in the budgetary restrictions. I do have some matters to discuss with the minister in British Columbia and we are trying desperately to get hold of him, but he is out campaigning and does not seem to have any time to discuss the situation in the Okanagan at the present time.

* * *

● (1450)

AIR TRANSPORT

INCREASE IN AIR FARES—REQUEST FOR REPORT ON APPEAL OF CONSUMERS ASSOCIATION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the Minister of Transport. Is the minister in a position to inform the House today whether cabinet has reached any decision on the appeal from the Canadian Transport Commission May 1975 air fare rate hearings presented by the Consumers Association of Canada, and if not, why not?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I cannot identify the specific appeal from that reference. I will check it later in *Hansard* and examine the question.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. The appeal was with respect to the increased air fares granted by the CTC last May, which incidentally, for the information of the minister, are highly discriminatory so far as people outside of central Canada are concerned. Would the minister also take this fact into consideration?

Oral Questions

INDIAN AFFAIRS

MERCURY POISONING OF NATIVES—PROPOSED FEDERAL-PROVINCIAL ACTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In light of the Ontario natural resources minister's statement that the federal and provincial governments will be working together, can the minister tell the House what new action his department is taking to co-ordinate attacks on the mercury problem in northwestern Ontario, and in the rest of the country for that matter?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I met with the two chiefs from the area and during the meeting they expressed concern that the two levels of government were attacking the problem each at its own level in an uncoordinated way. Two of my colleagues accompanied me at a federal-provincial meeting, and we have now set up a working body to try to deal jointly with the problem.

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ANTI-INFLATION BOARD

REACTION OF LABOUR GROUPS TO POLICY STATEMENT BY CHAIRMAN—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a further question for the Minister of Finance arising out of earlier answers which he gave in the House today. Does the minister not realize that by refusing to repudiate the extraordinary decision by Mr. Pepin to make harsh decisions in terms of the anti-inflation law now, saying that he will be lenient later on, this will contribute to chaos in collective bargaining in Canada, so that all groups now know that they have a vested interest in not reaching an early settlement and therefore will push for negotiations to drag on for weeks or months down the road?

Hon. Donald S. Macdonald (Minister of Finance): I do not share the hon. gentleman's conclusion, Mr. Speaker.

Mr. Broadbent: A supplementary question, Mr. Speaker. That is extraordinarily unfortunate in the present circumstances. May I ask the minister a supplementary question. Does the government not realize that this will cause all negotiating groups, whether wage or salary earners, to push for one year contracts instead of two year contracts now?

Mr. Macdonald (Rosedale): Of course, Mr. Speaker, all parties are free to move for whatever contractual rights they prefer. I would remind the hon. gentleman that we have put in place a controls regime for a period of three years, and negotiation decisions will have to be guided by the law that has now been approved by this House.

[Mr. Hnatyshyn.]

[*Translation*]

FINANCE

POSSIBLE INDEXATION OF SOCIAL PROGRAM BENEFITS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the Minister of Finance.

In his fight against inflation, would the minister consider, now or in view of the next budget, the suggestion that the government's current social programs should be geared to the costs of such necessities as food, housing, public transportation, which are still increasing, rather than to the overall cost of living index which includes the fairly stable prices of commodities which are not at all necessary?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am willing to consider this suggestion as well as others concerning the fight against inflation.

SUGGESTED CONTINUATION OF INDEXING OF INCOME TAX

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to ask a supplementary question. Since he is in a good mood, would the Minister of Finance be prepared to retain, in his next budget, the suggestion of a tax deduction for low income earners which would be equal to the monetary value of the annual increase in the cost of daily necessities?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as the hon. member knows, there now exists a form of indexation in the Income Tax Act. The next time I prepare a budget, I shall see whether the system established two years ago now must be changed.

* * *

[*English*]

AIR TRANSPORT

ALLEGED FAILURE OF GOVERNMENT TO SUPPLY DOCUMENTS IN SUPPORT OF SKYWEST APPLICATION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Transport. As Saskatchewan has threatened to pull out of the Manitoba-Saskatchewan Skywest air service beacuse, as transport minister Gordon MacMurchy indicated, the minister did not provide any documents for the CTC hearing last week, what are these key documents that the minister has failed to provide so that the CTC hearing could have gone forward?

Hon. Otto E. Lang (Minister of Transport): First of all, Mr. Speaker, let me say that Saskatchewan's reluctance in this program is not really new, so this may be more of an excuse than an explanation. The reference to the absence of any documents is a terrible distortion of what the ATB committee really said in explaining that Skywest had put forward totally inadequate documentation in its application. One of the items included was a reference to the federal contribution of the two aeroplanes. We have not been asked specifically to make clear that these aeroplanes will be available upon the granting of a licence, but of course we would be prepared to do so.

LABOUR CONDITIONS

DATE OF PUBLICATION OF HALL REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Labour. Time and time again members of the opposition parties have posed questions regarding Dr. Noel Hall's report on the inquiry into the retired CN pensioners, and time and time again the answer has been "soon". I could ask, how soon is soon, but I will ask this. Is it not possible to contact the Justice, either by telephone or telegram, and find out whether it will be three weeks, three months, six months, or 30 days?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, it is possible to contact the Doctor, and the hon. member will be pleased to know that I am quite prepared to do that, but I must say that he has been contacted on several occasions. The matter is more complex than perhaps anyone had anticipated at first, and this has protracted the hearings. He does not feel that it will be worthy of his efforts or in the interests of the employees if he unduly rushes the matter, and that is the situation at the present time.

* * *

CONFLICT OF INTEREST

INQUIRY WHETHER PRIME MINISTER SOUGHT ADVICE ON APPLICABILITY OF GUIDELINES TO SKY SHOPS SITUATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Justice and arises out of the Prime Minister's answer to the question asked by the hon. member for Peace River. I wonder whether the Minister of Justice, in his capacity as chief law officer of the Crown, has advised the Prime Minister of the significance of the guidelines respecting the conduct of members of parliament, and particularly respecting guidelines No. 2 which provides:

Members of Parliament should make every reasonable effort to avoid even the appearance of those conflicts of interest that are not inherent in a representative democracy.

Has the Prime Minister sought the advice of the Attorney General of Canada, or has the Attorney General of Canada advised the Prime Minister, with respect to these very important guidelines that affect the dignity of parliament, so that indeed justice and right are seen to be done as well as in fact are done?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the initiator of the guidelines and of the guidelines process was the Prime Minister himself. In the course of preparing the guidelines the government had the benefit of the advice of the Attorney General, who of course was a member of the government that produced the guidelines.

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. In view of the answer by the Attorney General, which indicates his obvious concern about the present situation relating to these guidelines which apply Senator Giguère, will the Attorney General, as chief law officer of the Crown, undertake to the House to refresh the

memory of the Prime Minister with respect to the guidelines of which he claims to be the father?

Mr. Speaker: Order, please.

● (1500)

Mr. McGrath: I rise on a point of order, Mr. Speaker. It is prompted by the importance of this part of our parliamentary day, namely, the question period, especially since the present rules were adopted in 1968 which did away with committee of supply, thus making the question period the only part of the parliamentary day when the government can be held accountable. My point of order is also prompted by my concern over the growing tendency of ministers to be evasive in their answers to questions.

Some hon. Members: Oh, oh!

Mr. McGrath: For example, the tendency is growing for ministers to take questions as notice and say, "I will look into the question and answer it later", and that is the last we ever hear of it.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, our predicament is even more compounded by the fact that we are now operating under provisional rules which deny us the right to raise points of order or questions of privilege during the question period. Hence, there is no opportunity given to members on this side of the House—or on any side, for that matter—to hold minister accountable for undertakings they make during the course of the question period to supply answers at a later date.

Today, for example, I endeavoured to direct a question supplementary to one asked by the hon. member for Regina-Lake Centre (Mr. Benjamin) to the Minister of Agriculture (Mr. Whelan), asking him to fulfil an undertaking he had made to me in answer to a question I directed to him on November 25 regarding a very important matter, namely, a directive that has been sent to the Canadian Egg Marketing Agency by the Anti-Inflation Board regarding an increase in the price of eggs, which, in the opinion of the Anti-Inflation Board, could not be justified in the face of evidence which indicated that the price of feed grain had gone down.

The minister indicated, on November 25 when I directed the question to him, that he would be meeting with the Farm Products Marketing Council, thereby implying that he would undertake to obtain an answer to my question; that is, whether the Farm Products Marketing Council had endeavoured to determine whether the price increase by CEMA was in fact justified and such communication sent to the Anti-Inflation Board.

I submit to you, Mr. Speaker, with great deference and respect, that we are constrained and, indeed, impeded in carrying out our responsibilities of holding the government accountable in the face of the growing practice of ministers to be evasive by putting off replies to questions, giving the undertaking that they will look into the matter and reply at a later date, and knowing full well that members of the opposition have no way, under the present rules—especially under the provisional rules—to hold ministers accountable. I submit that the tendency toward this

practice is growing, and the point of my raising the matter as a point of order is to bring it as forcibly as possible to Your Honour's direction and to the attention of the Standing Committee on Procedure and Organization so that it can be considered.

May I say, with great respect to the members of that committee, that it is my view the present provisional rules which restrain us considerably during the question period should be terminated forthwith so we can get on with the question period by holding ministers accountable and by raising points of order and questions or privilege at the time they arise.

Mr. Whelan: Mr. Speaker, perhaps I could just say a few words with reference to the answer I gave the hon. member. The meeting I referred to is taking place and he will be informed when representations are made to me. I have no intention of withholding information from the hon. member or from anyone else.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for St. John's East (Mr. McGrath) has had the floor for some time on a point of order which is, frankly, little more than a complaint about the quality of answers that have been given. If the hon. member has representations to make to the Standing Committee on Procedure and Organization, he may do so during the day. The minister has taken ten seconds to give a specific answer to the specific point raised by the hon. member for St. John's East. I think that, with other hon. members seeking the floor on points of order, it would be unfair to recognize again the hon. member for St. John's East. The hon. member for Peace River (Mr. Baldwin) on a point of order.

Mr. McGrath: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Peace River on a point of order.

Mr. McGrath: I rise on a question of privilege.

Mr. Speaker: I recognize the hon. member for Peace River on a point of order.

Mr. McGrath: I am on a question of privilege.

Mr. Speaker: The hon. member for Peace River on a point of order.

Mr. McGrath: I rise on a question of privilege.

An hon. Member: Sit down.

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for St. John's East will understand that the floor has been given to the hon. member for Peace River. If the hon. member still seeks the floor for the purpose of another intervention, he will have to wait until this point of order is concluded.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I want to ask the government House leader about the business for this week and for next week. Also, I want to say publicly what I have already said to him and the other House leaders privately, namely, that we are prepared to defer our use of tomorrow as an allotted day until the next semester or period in order that the government may proceed with the more harmless items of its legislative program.

Mr. Sharp: Mr. Speaker, I thank the House leader of the official opposition for the postponement in respect of the allotted day and putting it off until the next semester. I do not think he has given up that day: that kind of generosity would be beyond my comprehension. At any rate, we are happy about the postponement because there is a great deal of urgent business yet to be done.

When Bill C-77 has been read the second time, we shall move on to Bills C-74, C-27 and C-20. I am not sure of the business beyond that, Mr. Speaker, as there are a number of reports being made currently and we may wish to take up some of those which are made to the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in respect of the business of the House, may I ask a question which will come as no surprise to the government House leader. For six Thursdays in a row he has told us that the bill to implement the report of the Standing Committee on Veterans Affairs with regard to Canadian veterans who were prisoners of war is still under consideration. Will the minister now tell us whether the government has decided to bring in that bill and, if so, will it be introduced before Christmas?

Mr. Sharp: Mr. Speaker, I specifically raised the matter in cabinet today but I can only say that no decision was reached.

Mr. McGrath: Mr. Speaker, I rise on a question of privilege and I say to you, with the greatest respect, that my understanding of the rules is that a question of privilege has to be heard and takes precedence over all points of order.

Some hon. Members: Order.

Mr. McGrath: I rise on this question of privilege at the time because it had to do with a reply given to my earlier point of order by the Minister of Agriculture (Mr. Whelan) who is no longer in the House; as a result, my position is much more difficult. The minister misled me and the House in his reply.

Some hon. Members: Oh, oh!

Mr. McGrath: That is precisely my question of privilege. I do not intend to proceed with it until the minister is in the House, but I shall raise it at the first opportunity when he is here.

COMMITTEES OF THE HOUSE

AGRICULTURE

Eleventh report of Standing Committee on Agriculture—Mr. Daudlin.

LABOUR, MANPOWER AND IMMIGRATION

Fourth report of Standing Committee on Labour, Manpower and Immigration—Miss Nicholson.

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

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HALIFAX RELIEF COMMISSION ACT

MEASURE TO REPEAL ACT AND TO AUTHORIZE CONTINUATION OF PENSIONS PAID BY COMMISSION

Hon. Donald S. Macdonald (Minister of Finance) moved for leave to introduce Bill C-78, to repeal an act respecting the Halifax Relief Commission and to authorize the continuation of pensions, grants or allowances paid by the Halifax Relief Commission.

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

● (1510)

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

LABOUR CONDITIONS

PULP AND PAPER INDUSTRY—REQUESTED DEBATE ON STRIKE AND LAY-OFFS

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, pursuant to Standing Order 26, I ask leave to move a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration. The specific and important matter is the nationwide strike in the pulp and paper industry, a strike involving some 25,000 members of the Canada Paperworkers Union, and lay-offs of the same order in the bush and allied operations.

Since this industry represents one of the largest single components of our export trade, a significant portion of the increasing unfavourable balance of trade can be attributed to this strike. The federal government's concern must also be with the relationship of this strike to the federal guidelines, since almost all the contracts in the industry are dated before January 1, 1974, and settlements are likely to include catch-up which will require appearances before the Anti-Inflation Board. If acceptable, Mr. Speaker, I would move, seconded by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard):

That this House do now adjourn.

Mr. Speaker: Order, please. There have, of course, been a number of applications for an emergency debate, pursuant

to Standing Order 26, relating to work stoppages in various industries. In some cases they have presented the Chair with a serious problem in view of the fact that the industry involved is either a federal undertaking or dealt in some direct way with a bargaining agent that was federally-constituted or otherwise related to the jurisdiction of the federal government.

Without going into the details of all the other considerations or similar considerations involved in this work stoppage which would in any case make the Chair reluctant to grant an emergency debate until it was seen that there was no action within the sphere of collective bargaining which might bring it to a resolution, there is the additional difficulty that, except by virtue of the reference to the anti-inflation measures which are, of course, matters of federal jurisdiction, the fact is that it appears to be a work stoppage in the private sector involving private companies and unions which are not in any way subject to federal jurisdiction. Accordingly, there is the additional difficulty the Chair has that this does not seem to be the jurisdiction to which this House should be addressing itself in the way suggested by the hon. member.

There is, of course, as in other work stoppages, nothing to prevent the hon. member making application at another time; but there is, in fact, a jurisdictional problem which I feel, with great respect, the hon. member would have to get around. In the circumstances, I feel we ought not to set aside special time for such a debate.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Coucil): Mr. Speaker, the following questions will be answered today: 3,144, 3,155, 3,253, 3,484, 3,507 and 3,515.

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

[*Text*]

AVERAGE NUMBER OF PENSION CHEQUES ISSUED

Question No. 3,144—**Mr. Whittaker:**

What is the average number of pension cheques issued for the various departments where the majority of payments remain static for annual twelve month periods such as superannuation, veterans pensions, Canada Pension Plan and others?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The average number of pension cheques issued per month during 1974 (calendar or fiscal year 74/75 as noted) for the following programs was: Public Service Superannuation, 82,642 (1974/75); RCMP Superannuation, 3,475 (1974/75); Canadian Forces Superannuation, 48,758 (1974/75); Canada Pension Plan, 485,769 (1974); Old Age Security

(Guaranteed Income Supplement), 1,807,065 (1974); Canadian Pension Commission, 151,900 (1974). It should be noted that Old Age Security payments are escalated quarterly, in accordance with the Consumer Price Index.

CANADA-USA SALMON NEGOTIATIONS

Question No. 3,155—**Mr. Reynolds:**

1. Who were the persons representing Canada at the Canada-USA Salmon negotiations?

2. What is the status of the negotiations at the present time?

Mr. George Baker (Parliamentary Secretary to Minister of State (Fisheries)): 1. The Canadian delegation to the Canada-U.S. Salmon negotiation session, held in February, 1974 comprised: C. R. Levelton (Head of Delegation), Director General, Operations Directorate, Fisheries and Marine Service, Department of the Environment. M. P. Shepard, Director, International Fisheries Policy, International Fisheries and Marine Directorate, Fisheries and Marine Service, Department of the Environment. B. Applebaum, Legal Operation Division, Department of External Affairs. L. H. Legault, Director General, International Fisheries and Marine Directorate, Fisheries and Marine Service, Department of the Environment. W. R. Hourston, Regional Director, Pacific Region, Fisheries and Marine Directorate, Department of the Environment. In addition, advisers and experts from the Federal and Provincial Governments, (Province of B.C.) and the B.C. fishing industry attended the negotiations.

2. No further negotiations have taken place since February 1974, although officials to the two governments have been in contact from time to time to discuss elements of the problems. There have also been a number of meetings with the Canadian industry advisory group to discuss the Canadian position. It is expected that negotiations will resume early in 1976.

COMPLAINTS RECEIVED REGARDING RADIO FREQUENCY INTERFERENCE

Question No. 3,253—**Mr. Friesen:**

1. By province and territory, how many complaints were received by the Department of Communications regarding radio frequency interference in (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975?

2. How many complaints were registered by (a) licensed radio operators (b) other citizens?

3. How many complaints by licensed operators reported some retaliatory measure taken by other citizens to (a) jam their operations (b) destroy equipment?

4. In what percentage of the complaints was the (a) equipment of the amateur radio operator (b) manufacturer of the receiving equipment found to be at fault?

5. How many persons are employed by the Department to handle such complaints?

Hon. Otto E. Lang (Acting Minister of Communications): In so far as the Department of Communications is concerned: 1. (a), (b), (c), (d), (e) and (f) See Statement "A".

2. (a) and (b) See Statement "B".

3. (a) and (b) See Statement "C".

4. (a) and (b) See Statement "D".

5. One hundred and twenty-five persons.

Statement "A"

1. Total Complaints

	Atlantic Region				Quebec Region	Ontario Region	Central Region				Pacific Region	
Year	Nfld.	N.S.	P.E.I.	N.B.			Man.	Sask.	Alta.	N.W.T.	B.C.	Y.T.
1970	66	789	–	429	2300	8693	695	45	1205	9	1405	60
1971	100	690	–	473	2305	11126	781	56	1462	9	1210	50
1972	161	757	–	481	3649	11791	876	60	1620	13	1443	45
1973	352	731	69	509	3093	17163	1005	65	1708	18	1749	42
1974	322	870	116	911	4304	14950	997	70	1950	22	1833	58
1975	564	1086	168	1448	4688	17000	1032	80	2000	30	1850	344

Statement "B"

Complaints registered by:

2. (a) Licensed Operators

	Atlantic Region				Quebec Region	Ontario Region	Central Region				Pacific Region	
Year	Nfld.	N.S.	P.E.I.	N.B.			Man.	Sask.	Alta.	N.W.T.	B.C.	Y.T.
1970	6	79	–	43	14	695	255	14	255	7	21	2
1971	10	69	–	47	12	890	273	15	264	8	37	5
1972	16	76	–	48	16	943	324	17	324	10	32	1
1973	35	73	7	51	22	1373	485	25	485	14	43	1
1974	32	87	12	91	25	1196	554	28	553	16	36	2
1975	56	118	16	144	64	1360	411	26	411	12	124	1

Complaints registered by:

2. (b) Other Citizens

	Atlantic Region				Quebec Region	Ontario Region	Central Region				Pacific Region	
Year	Nfld.	N.S.	P.E.I.	N.B.			Man.	Sask.	Alta.	N.W.T.	B.C.	Y.T.
1970	60	710	–	386	2286	7998	440	31	950	2	1384	58
1971	90	621	–	426	2293	10236	508	41	1198	1	1173	45
1972	145	681	–	433	3633	10848	552	43	1296	3	1411	44
1973	317	658	62	458	3071	15790	520	40	1223	4	1706	41
1974	290	783	104	820	4279	13754	443	42	1397	6	1797	56
1975	508	968	152	1304	4624	15640	621	54	1589	18	1726	343

Statement "C"

3. (a) Retaliatory Action (jam operations)

	Atlantic Region				Quebec Region	Ontario Region	Central Region				Pacific Region	
Year	Nfld.	N.S.	P.E.I.	N.B.			Man.	Sask.	Alta.	N.W.T.	B.C.	Y.T.
1970	–	–	–	–	2	150	9	–	10	–	1	–
1971	–	–	–	–	–	162	17	–	16	–	1	–
1972	–	–	–	–	1	215	27	–	29	–	1	–
1973	–	–	–	–	3	221	39	–	37	–	1	–
1974	–	–	–	–	–	230	38	–	41	–	1	–
1975	–	–	–	–	2	223	70	–	67	–	1	–

3. (b) Retaliatory Action (destroy equipment)

	Atlantic Region				Quebec Region	Ontario Region	Central Region				Pacific Region	
Year	Nfld.	N.S.	P.E.I.	N.B.			Man.	Sask.	Alta.	N.W.T.	B.C.	Y.T.
1970	–	–	–	–	–	10	1	–	9	–	–	–
1971	–	–	–		1	8	–	–	10	–	–	–
1972	–	–	–		–	19	1	–	11	–	–	–
1973	–	–	–		1	25	3	–	15	–	–	–
1974	–	–	–		–	35	4	–	20	–	–	–
1975	–	–	–		–	53	3	–	25	–	2	–

Statement "D"

Percentage of:

4. (a) Amateur Radio Equipment at fault.

	Atlantic Region				Quebec Region	Ontario Region	Central Region				Pacific Region	
	Nfld.	N.S.	P.E.I.	N.B.			Man.	Sask.	Alta.	N.W.T.	B.C.	Y.T.
	5 per cent	5 per cent	5 per cent	5 per cent	20 per cent	53 per cent	63 per cent	40 per cent	57 per cent	63 per cent	24 per cent	–

Order Paper Questions

Percentage of:

4. (b) Receiving equipment at fault.

Atlantic Region				Quebec Region	Ontario Region	Central Region				Pacific Region	
Nfld.	N.S.	P.E.I.	N.B.			Man.	Sask.	Alta.	N.W.T.	B.C.	Y.T.
35-45 per cent	35-45 per cent	35-45 per cent	35-45 per cent	80 per cent	47 per cent	37 per cent	60 per cent	43 per cent	37 per cent	76 per cent	–

FOOD AID

Question No. 3,484—**Mr. Hnatyshyn:**

What was Canada's contribution to food aid for third world and developing countries for the year 1974 and the first six months of 1975 (a) to which countries were contributions made (b) in each case (i) what food products were contributed (ii) at what dollar value (c) what was the (i) administrative cost (ii) cost of distribution (iii) value of the food product?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Replies to parts (a) and (b)(i) and (ii) will be found in the following statement. (c)(i) Estimated cost of administration for this program is $135,000. (ii) Not known. (iii) $193,569,650.73.

Canadian Food Aid Contribution
January 1974 to June 1975 Inclusive

Country	Foodstuff	Tonnage (MTN)	Value ($)
Afghanistan	Egg Powder	10.2	43,875.00
	Milk powder	150.	165,325.00
Algeria	Flour	300.	69,576.00
	Barley	18,224.	3,000,000.00
Angola	Beans	107.	30,782.30
Arab Republic of Egypt	Milk powder	1,148.	1,596,184.00
	Flour	270.	62,443.80
Bangladesh	Wheat	391,844.	69,974,564.20
	Rapeseed	8,432.9	4,418,087.94
Barbados	Beans	15.	4,312.95
	Milk powder	35.5	39,125.00
Botswana	Egg powder	4.	16,978.50
	Milk powder	30.	33,050.00
Brazil	Egg powder	30.	121,687.00
Burma	Wheat	5,340.	936,216.26
Burundi	Milk powder	50.	55,125.00
	Egg powder	12.	51,597.00
	Flour	85.	21,271.00
Central African Republic	Egg powder	6.	25,275.75
Cape Verde Is.	Beans	270.	73,631.20
Colombia	Fish	350.	286,978.20
	Beans	305.	143,950.00
Congo	Egg powder	21.	89,743.00
Costa Rica	Beans	5.	2,513.50
	Milk powder	5.	5,500.00
Cyprus	Egg powder	19.5	81,681.00
	Flour	600.	144,696.00
	Beans	46.	12,270.00
Dahomey	Fish	32.	24,227.20
Dominica	Fish	1.	757.10
Ecuador	Beans	15.	3,703.80
El Salvador	Beans	60.	20,754.00
Ethiopia	Wheat	20,873.7	4,046,415.07
Gabon	Egg powder	2.	8,322.00
	Beans	36.	14,421.80
Gambia	Beans	7.	3,206.56
	Egg powder	29.	115,533.64
Ghana	Wheat	22,549.8	3,999,999.92
Guinea	Egg powder	5.	19,293.75
	Beans	50.	11,023.00
Guinea-Bissau	Beans	500.	132,346.50
	Milk powder	160.	170,950.00
Haiti	Flour	200.	45,880.00
	Fish	14.	12,181.40
	Beans	25.	7,038.75
Honduras	Milk powder	783.	928,422.00
India	Milk powder	2,150.	2,369,962.50
	Rapeseed	13,937.7	4,945,557.62
	Rapeseed oil	14,793.6	14,901,711.86
	Wheat	138,274.7	25,152,477.84
Iran	Milk powder	350.	385,850.00
Iraq	Beans	33.	17,305.00
	Wheat	625.	136,843.75
Ivory Coast	Egg powder	35.	146,600.00
	Beans	35.	9,597.00
Jamaica	Milk powder	600.	715,311.00
Jordan	Beans	70.	18,532.50
Korea	Flour	15,000.	3,583,700.00
Lebanon	Milk powder	40.	44,075.00

Country	Foodstuff	Tonnage (MTN)	Value ($)
Lesotho	Flour	160.	41,187.20
	Beans	300.	127,176.40
	Milk powder	200.	220,450.00
	Egg powder	100.	407,898.75
Liberia	Egg powder	4.	33,516.00
Madagascar	Flour	320.	76,480.00
Mali	Sorghum	4,675.	575,500.50
	Semolina	4,535.	1,868,962.50
	Flour	10,970.	2,840,903.34
Mauritania	Egg powder	3.8	15,408.00
	Milk powder	500.	595,215.00
	Wheat	6,100.	1,229,686.17
Mauritius	Milk powder	247.5	272,800.00
Mexico	Egg powder	10.	42,997.50
Morocco	Wheat	8,600.	1,516,370.57
Mozambique	Beans	1,135.	313,497.63
Niger	Fish	170.	128,707.00
	Egg powder	3.	12,568.00
	Milk powder	458.	513,075.00
	Sorghum	2,930.	360,705.40
	Semolina	3,555.	1,476,204.54
	Flour	7,535.	1,989,730.10
Pakistan	Corn	600.	103,550.00
	Milk powder	296.	326,300.00
	Wheat	34,763.	7,292,820.45
Paraguay	Egg powder	15.	57,881.25
Peru	Egg powder	8.5	35,706.75
	Beans	64.	18,519.72
Philippines	Flour	293.	31,969.96
	Beans	6.	2,788.92
Senegal	Beans	14.	6,493.34
	Egg powder	14.	59,845.75
	Semolina	2,775.	1,161,609.00
	Flour	1,490.	373,958.35
	Milk powder	1,500.	1,785,213.00
Somalia	Flour	1,737.4	439,498.26
Sri Lanka	Corn	400.	69,080.00
	Flour	6,000.	1,539,320.00
Sudan	Wheat	3,261.	571,391.63
	Flour	180.	46,215.00
	Milk powder	224.	247,150.00
	Beans	580.	208,129.53
Swaziland	Beans	25.	7,744.75
Tanzania	Wheat	41,869.	7,084,989.32
Tchad	Semolina	4,800.	2,036,998.60
Tunisia	Wheat	11,033.	1,999,999.77
	Beans	349.	161,869.69
Upper Volta	Semolina	1,400.	584,350.00
	Sorghum	2,580.	317,604.40
	Milk powder	340.	374,775.00
	Wheat	1,925.	332,829.27
	Egg powder	5.	21,498.75
Unrwa	Flour	2,526.	639,788.48
Vietnam	Flour	10,000.	2,366,495.00
	Fish	1,870.	1,123,198.82
	Milk powder	1,734.	2,412,688.54
Yemen	Beans	543.3	159,153.51
	Flour	2,499.	653,796.75
	Wheat	4,320.	756,949.41
		Total	$193,569,650.73

FREIGHT WITHIN ATLANTIC AREA

Question No. 3,507—**Mr. Forrestall:**

1. What was the amount of payments made to truckers under the Atlantic Region Freight Assistance Act for the fiscal year 1974-75 on traffic moving (a) within the region (b) westbound out of the region (c) under the Selective Assistance Plan?

2. What companies are the fifteen principal recipients of the reimbursements for freight carried within the Atlantic Region on freight originating and destined within the area and of these how many are in the category of common carriers?

3. What companies are in the first fifteen on traffic carried westbound?

4. How many carrying freight westbound would be in the category of common carriers, such as, carriers offering to transport the goods of all shippers for compensation as distinct from truckers carrying the goods of a particular industry or industries under contract?

Hon. Otto E. Lang (Minister of Transport): The Canadian Transport Commission advises as follows: 1. (a) $16,241,566. (b) $3,857,413. (b) $666,113.

2. Eastern Transport Limited, Moffat Brothers Moving and Storage Limited, Day and Ross Ltd., Road and Sea Transport Ltd., Thompson Transfer Co. Ltd., M and D Transfer Ltd., Brunswick Petroleum Transport Ltd., Easson's Limited, Roch Roy Transport Ltée, Cement Cartage Co. Ltd., Midland Transport Limited, G. M. Armour and Son Ltd., Roy's Midway Transfer, Bowness Transport Ltd., Heffler Trucking Ltd. All above truckers hold provincial licences authorizing operation as common carriers.

3. Day and Ross Ltd., Rimouski Transport Limitée, Smith Transport, Maritime Ontario Freight Lines Ltd., Speedway Express Limited, Hebb's Transport Limited, Transbois Inc., St. Lambert Transport, Junbo Motor Express Ltd., O. Bélanger Transport Inc., Transport D'Anjou, Moffat Brothers, Transport Théberge Ltée, Household Movers and Shippers Ltd., Maritime Warehousing and Transfer Co. Ltd.

4. Six hundred and forty-three.

FURNITURE FOR SECRETARY OF STATE FOR EXTERNAL AFFAIRS OFFICE

Question No. 3,515—**Mr. Cossitt:**

What was the cost of the original furniture and equipment of any kind used to furnish the office of the Secretary of State for External Affairs at the time the Lester B. Pearson Building was constructed and made ready for opening prior to occupancy by the Honourable Mitchell Sharp (a) were any changes made after occupancy by the Honourable Mitchell Sharp and, if so, what are the details of (i) items changed (ii) items added (iii) the cost involved (b) were any further changes made by the present Secretary of State for External Affairs and, if so, what is (i) a list of the items changed (ii) a list of items added (iii) the cost to the taxpayer?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): $18,200.94. (a) Yes; (i) nil; (ii) T.V. monitor; (iii) $360. (b) Yes. (i) nil; (ii) Westclox wall clock; (iii) $23.30.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT AND CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AUTHORIZATION FOR CMHC TO MAKE INTEREST REDUCTION GRANTS, CASH GRANTS, ETC., TO ENCOURAGE HOUSE CONSTRUCTION

The House resumed, from Wednesday, December 3, consideration of the motion of Mr. Sharp (for the Minister of State for Urban Affairs) that Bill C-77 to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, last evening at six o'clock I was discussing housing and subsidized housing available in rural Canada, specifically in the province of Ontario where I have had some experience as former reeve of a small municipality. I was commending the Ontario government on the money available and the various projects it had completed. I know a great many projects are under construction at the present time.

I checked with the Minister of Housing for Ontario to get his comments on this federal bill. He informed me he did not have too much knowledge of it. He said he met with the Minister of State for Urban Affairs (Mr. Danson) in Ottawa some weeks ago and had received the statement of the minister, but he had some concern that they did not have the exact details. I had hoped to get more information from him this morning, but I understand he has been tied up. I am speaking of Mr. John Rhodes, Minister of Housing for Ontario. He did tell me, however, that the federal program as outlined leaves the Ontario government in a quandary concerning how well its action program will be accepted. He admitted that the federal interest rate for those qualified for the subsidy is lower, at 8 per cent, than the rate in Ontario, which I believe is 10¼ per cent.

A few days ago, when members of the committee were discussing the estimates of the minister, I had the opportunity to question the minister and also the president of CMHC. At that time I was dealing with one program in particular, the limited dividend program in respect of housing and apartments. I commented that this certainly was a good idea. I brought to the attention of the president of CMHC and the minister that a great many experienced builders who ordinarily would have taken advantage of a program such as this were not jumping into it 100 per cent; in other words, it did not sound too good.

I mentioned that several smaller builders thought it was a good idea and that it would be an opportunity for them to diversify. For this reason they had contacted the authorities. Back in May of this year the branch manager of CMHC in the city of North Bay was contacted in this regard. They had been negotiating back and forth in an effort to get a project off the ground. Prior to the opening of this House, I believe in the first or second week of October, I checked into this matter and was informed everything was in order. However, again there were delays

for almost another month before the project finally received approval. Now the owner and the builder are faced with winter weather, which in northern Ontario will mean a great deal of additional cost.

I asked Mr. Teron whether he did not feel the department has a responsibility to make this information more available to prospective clients, and whether it would not be a good idea, in the interests of good public relations, to advise them of all the pitfalls and steps which must be taken. In this particular case the owner did not know it was necessary to have a soil test. From May until November 1 nothing was done about it, and then CMHC said a soil test was necessary. A soil test was taken and it was found there was a considerable amount of rock. I understand that blasting is still being carried on.

It seems to me that CMHC should instruct its officials to advise these people that they will have to conduct soil tests on whatever is required. I do not believe this would involve a great deal of expense. I hope CMHC will see that their branch offices are instructed to do this. I checked with one branch office and was told it is not their function to do this; their only function is to check, and if the project does not come up to the requirement, those concerned will be told what they have to do. I do not think that is a very good position for a government agency to take.

There is another matter I should like to raise, for which CMHC should be commended. Persons who qualify for grants for housing have available to them plans that are approved by CMHC. Therefore, they are not faced with the additional expense of hiring an architect. I wonder, in respect of some of the smaller apartment projects, whether CMHC could also make plans available for the types of apartment buildings which meet their specifications. Perhaps they could be used for a building which could be constructed economically? In this way, the proposed owner or entrepreneur would not be put to the additional expense and trouble of hiring an architect, who in many cases does not look too seriously into things and sometimes substantial changes have to be made in the plans, causing additional expense. This matter was brought very forcibly to my attention because of the case to which I referred.

● (1520)

There is another great cost of which I have spoken before, and I suppose I will continue to speak on it, with regard to housing. As hon. members know, we in this party strongly recommended the removal of the sales tax on building materials from 1972 onward when a great many of us entered the House.

In checking on this matter, I find that Walter Gordon was the minister of finance who imposed the 11 per cent federal sales tax on building materials back in 1963, I believe. Its effect was to increase immediately the cost of houses by up to 17 per cent. It also had the effect of slowing down building starts, leading to the present housing shortage. The failure of the government to put a ceiling on interest rates also added greatly to the cost of houses both old and new. The present government created the housing shortage and now they try to solve the problem with a patchwork quilt of half measures, hoping perhaps that the problem will go away of its own accord.

Removing part of the federal sales tax on building materials was too little, too late. As we all know, it was reduced by 5 per cent in the Turner budget of 1974. As I mentioned earlier, all hon. members know that our party advocated the removal of the sales tax on building materials. We were told by the then minister of finance, when it was raised in the House, that this was unthinkable. Then he reversed himself and reduced the tax by 5 per cent. The seriousness of the present situation makes me wonder if the government will now take the final step and remove the tax entirely. This would assist in further reducing building costs.

There is another item which I have endeavoured to put forward time and time again. I would ask the Minister of State for Urban Affairs to consider and to bring to the attention of the Minister of Finance (Mr. Macdonald) the problem of double-taxation. I mentioned this question earlier in committee when we were considering the estimates of the department on November 27. For a number of years I served as a vice-president of the Ontario Mayors and Reeves Association. Time and again resolutions were presented requesting that municipal taxes on residences be made tax deductible expenses when filing income tax.

It hardly seems fair and reasonable for a person to have to pay a tax on a tax, which is the case at present. I know there should be a limit in this respect, and in no way would I agree that Canadians living in palatial residences and paying municipal taxes amounting to thousands of dollars—$3,000, $4,000 and even $10,000—should be entitled to deduct all their municipal taxes. However, I believe that a ceiling of $500 would be fair and would help a great many people in the lower income bracket. The minister answered my question by saying that the revenue lost would be between $600 million and $1 billion. This is all very well, but to my mind it would be an excellent and equitable way in which to assist existing home owners and it would also make it more attractive for people who are desirous of purchasing a house at the present time.

The argument was also raised that this would be unfair to many tenants across the country. If my proposal were accepted, tenants would have an additional incentive to buy a house of their own. A home owner has many additional responsibilities, such as the outlay for maintenance and for caring for a house, which a tenant does not.

The parliamentary secretary to the minister, whom I do not see here now, made a very profound statement when he admitted that this bill does not offer a magic solution. Certainly, that was an understatement. In his remarks yesterday, the hon. member for Winnipeg South Centre (Mr. McKenzie) commented on the 1969 Hellyer task force on housing. This was the most comprehensive housing study ever made. If the government had implemented those recommendations, or even some of them, we would not have this housing crisis today.

I want to touch briefly on the existing legislation and commend the government for its Neighbourhood Improvement Program, and for one which is even more important to a riding such as mine, that is, the Residential Rehabilitation Assistance Program which provides financial assistance in the form of a grant of $2,500 plus a loan of $2,500, to people who qualify, to improve their residences. This is a special boon to senior citizens, a great many of whom live in houses that have not been kept up to the standard which one would normally expect. I feel that this is a very worthwhile program. I checked into it further and was informed—possibly so have other hon. members—that in order to qualify for this grant a municipality had to take certain steps and also contribute, not money but the services of a clerk or other official to enter into an agreement for the collection of the mortgage.

I checked with the municipalities on this matter and, to put it mildly, they were not too enthusiastic. I have now been informed by the president of CMHC that this is not necessary. I wish to bring this point to the attention of hon. members, especially those representing areas with small towns, because you cannot designate a whole area in a small town as a slum area because many towns are not built that way; there is the odd house that is in poor condition, and three or four blocks away there is another such house. The president of CMHC gave the undertaking that the corporation would consider this question and that if two or three isolated houses in a village or town were specified, they would qualify. I feel that this is an excellent project which should be brought to the attention of hon. members, and I commend the minister for it.

In introducing this discussion it was stated that the basic thrust of the housing policy was relatively sound and that it was an attempt to stimulate supply. The encouragement of additional mortgage funding, while basically without clout, is nonetheless a very worthy pursuit. The Federal Mortgage Exchange Corporation is a much needed organization that is long overdue. At the same time, it is imperative that more serviced land be made available in order that over-all construction costs can be kept down. The problem is that in this package the government has also inflated demand relative to supply.

● (1530)

In summary, many of the points in the program are counterproductive and cancel each other out. Similarly, other programs are simply more of the same. The government has assumed it can solve the housing problem through quantitative means, that is, by merely extending or broadening existing programs, rather than looking for qualitative changes which can be exclusively aimed at real problems, with long-term goals in mind.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I take the opportunity to enter this debate very briefly this afternoon because in representing the riding of Peel-Dufferin-Simcoe I think I represent one of the fastest growing areas in Canada. It is an area in which housing is extremely important. In the city of Brampton alone there will be 15,000 new homes built over the next three years, which essentially will double the population of the city within that period. I want to enter the debate, also, to congratulate the minister and the government on the new housing action program: I think it is one of the most significant new housing programs ever undertaken by any government anywhere.

It has been said many times that traditionally we have associated government housing programs with very low income people, native people and senior citizens, but I think this is one of the first times we have recognized that a greatly increasing number of people need assistance in

respect of housing, particularly to buy housing. Many people who want to buy a house have a cash flow problem. I think these programs go a long way to assist them in that regard.

I think it is important that the focus of this program is on lower and medium-income housing. Many speakers have said this. I am concerned about the things that are happening in some areas which are similar to the one I represent. They are, perhaps, very different things from those which may be happening in some smaller towns such as represented by the previous speaker, or in the heart of the city such as represented by the critic for the New Democratic Party. However, living in a community such as Brampton-Bramalea, I find there is a very dynamic increase in housing, largely to support the city of Toronto. There is the same situation around any large municipality and I think we are fast getting to the point where it is almost impossible for these municipalities to stand on their own from a municipal tax base.

What is happening is that higher income people from the cities are moving out to places like Brampton-Bramalea. Perhaps they are able to afford higher-cost housing than many people. The community then becomes truly a bedroom community for a larger city. The objective, that there should be a good balance between residential and industrial assessment to keep municipal taxes under some kind of control, is very difficult to maintain; the cost of housing becomes so high that industry is not interested in locating in such areas because the workers they wish to attract cannot afford to live in these communities. We find that around most of the larger cities there is quite a belt which is made up of municialities where people who work in the cities live. This housing action program as set out by the government will deal with that problem by forcing or motivating the construction of a great many houses for the lower and medium-income sectors which people can afford.

Another thing which is of very great concern is the tremendous resistance both by municipalities and groups within municipalities to the construction of this type of housing. Municipalities object to it because for most of them it is just a money-losing proposition to build this many new houses. That is why I am glad the housing action program allows the government to pay the municipality on a per unit basis, making it possible for the municipality to break even in this regard. Not given that break, the municipalities would either face a serious tax problem in the years ahead or, more seriously, they might refuse to build this type of house and the needs of many people would not be met.

In my area I am most concerned about the very tight rental situation. We have a housing industry, but many people are forced to rent. Figures for the city of Toronto show that very close to half the people living there are in rental accommodation as opposed to owning their own accommodation. There are real problems in the rental housing industry. In many areas with which I am familiar there is virtually no construction of rental housing accommodation; the economics of it are not very good. Also, there is tremendous resistance from people who own single-family homes to having multiple dwellings built anywhere within the area where they might be affected.

Another matter which is of real concern at the present time—and I think this program will help alleviate it to a degree—is the tremendous rent increases which many people are facing. These rent increases are very hard to absorb and for many people they are very hard to understand, but predominantly they are caused because much of the rental accommodation in Ontario was built five years ago, or a little more, on very short term money, five-year mortgages and ten-year mortgages. I suspect this is true across Canada. At that time interest on mortgages was 6 per cent, 7 per cent and 8 per cent. These buildings have to be refinanced, perhaps at the present time, with money which is much more costly. So in order for owners to survive the refinancing of their buildings, they are forced to pass on very substantial rent increases to their tenants. The response to this has been rent controls, and this works against more building activity. I am sure the rental situation in most municipalities is very critical.

During this debate I think everyone on this side of the House who participates will say that they enthusiastically applaud the assisted rental program, and hon. members opposite will say that it does not go far enough. I think both viewpoints are correct. It is a good program, but I am concerned that there is not enough money anywhere to put into this program so that we can adequately cover it. I do not know how much money should be applied to this program, because the need is very great. One of the significant changes in the program is the loan approach, or the roll-over provision, whereby the money that is lent will be repayable and reusable by other people when the term of the mortgage is up, if the building is sold or if the building should be refinanced in any way.

The Assisted Home Ownership Program has probably been one of the most successful housing programs ever, mainly because it gets people into houses. I said previously I was concerned that in a country like Canada, with so much land and so much potential for housing, a high percentage of Canadians live in rental accommodation. This percentage is increasing all the time, mainly because people cannot accumulate enough money to raise the down payment on a home or cannot early in their marriage afford a home. Of all the benefits the Assisted Home Ownership Program may bring, that would be the greatest. Last year AHOP helped over 16,000 people to get into houses.

I say to the minister and to the government that an assessment of the limits on house prices under the Assisted Home Ownership Program should be very carefully considered. At the present time, the limits are set on a fairly wide basis. They may be based upon a city and that city's area may take in quite a large surrounding area. I urge the government and the minister seriously to consider setting the upper limit of this program on almost a community by community basis. There may be a community within 30 miles or so of a large city. The forces playing on the market in that community are really caused by the dynamics of the housing industry within the city. There may be another community 50 or 60 miles from the same city, which operates independently. The dynamics of the housing market then are very different. So I think that under the present laws, the limits that apply to large areas may be acceptable in one community and in another community

close by they may be out of line. There should be a careful analysis of the extent of these limits.

● (1540)

I want to return to the relationship with the municipalities. I wish this housing bill and the program which we are debating had been annouced 15 or 20 years ago. In a country that has so much space, I cannot understand why we have such high-priced land and such a scarcity of it for housing. Provincial governments are now starting to recognize the problem; they will have the benefit of this program and perhaps will start their own, as Ontario has. They will be able to say to the municipalities that debts with respect to housing should be shared by all the people and not just those in the municipality concerned. Without that type of approach and philosophy to this problem we will not get the necessary housing and we will damage the tax base in our larger cities.

I am sure all members of the House share the view that the housing situation in Canada is serious enough that there should be a different relationship between the federal government, the provincial governments, municipalities, developers and builders. Until now there has been an adversary type of relationship, and I think it is time for close and serious co-operation. I am most concerned about the position of the builder. The majority of the builders I have known are no longer in business simply because they cannot buy serviced land on which to build houses. Serviced land is so costly and scarce that the small builder cannot compete in the market, so the whole business is left to a few large, powerful developers and again there is an adversary position within the municipality and very few houses are built. Some large developers have very serious concerns about the problem.

I think that with a united relationship and attitude among all levels of governments, builders and developers, a much better job could be done with respect to providing housing in Canada. This is a very important program for the part of the country that I represent and it is one of the fastest growing areas in Canada. There are probably as many new homes built there as in any municipality in the country. I wish to commend the government for taking this action, Madam Speaker.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I am pleased to speak on Bill C-77, in which we read the following explanatory notes, and I quote:

The purposes of the amendments to the *National Housing Act* may be summarized as follows:

(1) to authorize the Central Mortgage and Housing Corporation to make interest reduction grants to cooperative housing bodies and non-profit housing groups and to individuals who borrow for house renovation;

(2) to establish a program of cash grants to municipalities per unit of new medium-density family housing units constructed in the municipality and approved for construction before December 31, 1978;

(3) to authorize the Corporation to make loans and forgive indebtedness to municipalities in respect of municipal water supply projects;

(4) to modify the Assisted Home Ownership Program to authorize loans for the acquisition as well as the construction of homes and to clarify the regulatory powers applying thereto; and

(5) to modify the Assisted Rental Programs to give increased benefits to encourage construction.

Madam Speaker, I believe this bill which deals with almost all areas of housing was eagerly awaited and a quick look at it reveals that it is not exactly what had been expected. Once more the Canadian people are bluffed as only the present government knows how to. There is no doubt that the housing problem is very critical today. That is why the government, very opportunist as always, introduces its famous housing action program.

The legislation will affect municipalities, owners of existing houses, future owners, tenants and even—I was going to say, and mostly—the big builders and lenders, because as the honourable member who preceeded me indicated, we fear that it will still be the big businesses and not only small building businesses which are now in trouble, having difficulties, but the feeling is that the millionaire contractors will be the ones to collect the benefits of the bill.

Under Bill C-77, the government wants to guarantee the construction of at least one million units between 1976 and 1979, but at what cost, Madam Speaker? What will be the long term cost for the one who really needs housing? Is it a new gimmick of the government to encourage the Canadian people to sink deeper into debt and thus give to capitalists an opportunity to double and even triple their income at the expense of needy families? Is it a social legislation first and then a financial one or is it the other way around?

Those are the questions which we are entitled to ask before the bill is deferred to a standing committee of the House, more especially since the government always resorts to subterfuges to have its monstrosities approved. This is why we are driven crazy with phrases such as low cost housing and low cost renting; we hear discussions on them all the time over the radio, and we read about them all the time in the newspapers.

Madam Speaker, they need plenty of cheek to talk about low cost when a couple with one child cannot find a lodging for less than $150 or $200 a month. And they dare talk about low cost housing in the case of a house which will require between $42,000 and $52,000 in investments over a 30 or 40 year period. Have they ever considered that the purchaser of such a house will have to pay over $100,000 to become its owner, if he cannot reimburse his indebtedness and if he does not leave 50 per cent of it to his estate?

The minister talked about assistance to municipalities. Everybody knows that all this assistance, all these grants are in fact a warranty for the interests taxpayers will have to pay to financial institutions. When we consider these grants today, as well as whatever assistance is offered to municipalities, we realize, Madam Speaker, that their purpose is always to serve as warranty for the interests municipalities will have to pay. It is therefore another way of protecting big finance and lending institutions. They must not lose one cent. Recently, to help a city, they lent $30,000 repayable over ten years. That makes $10,000 a year. However, the city will pay $5,200 a year in interest alone, and they say they want to help the city. They just put it into a mess it will not be able to get out of.

● (1550)

Madam Speaker, I say that this assistance, today, is designed only to protect capital, banks, insurance compa-

nies, lending pension plans and other private plans. Since I began to sit in this House I observed that all the government is concerned about is for lending companies not to lose one cent in interest. Now is the time to say, and the big financial supporters of the government never forget this principle and they know what I mean: charity begins at home. And the people, they do not matter.

First, if the government were serious, it would allow grants to the municipalities, not to protect the interests the financial institutions will get, but to give grants of 40 or 50 per cent of the required capital. For the balance, it would ensure that the municipalities get an interest-free loan, at the administration rates. So, the municipality which builds sidewalks and sewer systems would not pay for them three, four or five times over 75 years. That is what is wrong about the legislation. It is quite strange that all hon. members know that and do nothing. We will not get out of it, Madam Speaker. We will not get out of it if we keep on acting that way.

For example, Madam Speaker, in this municipality which needs a water system or a sewer project, payments are made on a 30-year period but after 30 years, the capital is still outstanding. I have been mayor of a town and each time we replace, we still have to tax for the old debt. We will never see the end of it unless, once again, we think in terms of the ratepayer.

What is very expensive nowadays is not to provide the services for a municipality but to finance the projects. This is what costs a lot. The ratepayer grows ever more aware that he lives only for banks and other financial authorities that have the right to use the credits of the whole nation to submit the citizens to an endless indebtedness. We see examples of what I have just said every day; just read the bill and you will see what the government proposes to do to promote home ownership.

Having realized that no one dares build a home when interest rates are 13, 14 and even 15 per cent, the government discovered another trick to "take in" the future homeownwer. In fact, we read here that a family man can get assistance in the form of an interest-free loan for the first five years to reduce his interest rate to 8 per cent. In other words, if a finance company lends him money at 13 per cent, the government agrees not to give the individual a grant, but to lend the 5 per cent interest he will have to pay. In this regard, to get information on the mode of payment, I put a question to the Minister of State for Urban Affairs (Mr. Danson) who simply told me that the loan would be payable over a five-year period at the then current rate of interest.

So, he will have to pay the finance company and borrow from it again. If the interest, at the end of five years, amounts to $3,000 or $4,000, he will have to change his mortgage contract or sign a new one, that is, get a second mortgage. Imagine what a second mortgage will cost when everyone knows that it always costs more. The rates of interest are always higher on second mortgages. After five years, a second mortgage will have to be taken to pay for the favour granted today.

Can anyone believe, Madam Speaker, that the new owner who is unable to pay more than 8 per cent today will be in a better position to pay 14, 15 even 16 per cent in five years? The government will surely catch a few more in that trap in the next few months, but I would hate to see those who will have to reimburse the $3,000 or $4,000 that will, of neccessity, be added to their mortgages. If the government sincerely wants to help and encourage home ownership among those who earn 14,000 or less a year, there is only one logical course to take, and that is to reduce the interest rates for the whole duration of the contract. We are being choked by astronomical interest rates today, and that in every sector whether it be public or private. Let us cease making ourselves the buffoons of financiers and let the government bring forth an act which will bring back to their senses those who are trying to take advantage of the people.

• (1600)

Madam Speaker, we found beautiful treasures in this bill. Here is one: amendment to the program of subsidies to builders to help tenants. Listen to this. With a view to encouraging the construction of rental units, the government proposes to increase to $1,200 the maximum yearly subsidies per housing unit per builder, in order to reduce the interest which the builder has to pay. They even go further: they will extend by two years the tax deduction allowance for rental unit depreciation.

Now, Madam Speaker, let us see what this means. A rental housing builder is allowed to deduct from his taxes the interest on the money he has borrowed. He is not paying out, he is borrowing. Yet he is entitled to deduct all the interest on the loan, municipal taxes, school taxes, maintenance, 10 per cent depreciation and will, in addition, receive $1,200 per housing unit, and further he will be entitled to a new tax deduction for amortization while a couple anxious to become owners do not have the right to deduct from their income tax those very interests on the money they need to buy their house, nor can they deduct school and municipal taxes. They do not have the right either to deduct a depreciation of 10 per cent and, even less, maintenance costs.

The social and financial injustice is most flagrant. Only the government does not want to see, only the Cabinet of ministers does not want to see the result of the "just society" that was promised to us a few years ago already.

Mr. Béchard: Christ promised it.

Mr. Gauthier (Roberval): The ordinary worker earning $6,000 to $10,000 a year cannot be eligible for a mortgage loan because you simply do not measure up these days unless you earn at least $14,000 a year. So the $750 grant for people with one child or more so their monthly payments will stay under 25 per cent of the income of the head of the family is just a drop in the bucket because 90 per cent of that category of people do not have the salaries they need to even consider applying for a mortgage loan.

To the minister, this has to be the most important bill from a financial point of view, especially for financiers. But for the person who wants to become the owner of a single family house I say it is entirely inadequate.

However, I hope the members of the committee will take good note of all the remarks I made in favour of the single family dwelling and will introduce the amendments required to make this bill more social. We also wish the

committee would seriously consider reduced interest rates for young households eager to own a house of their own.

These are the reasons for which we accept that this bill be passed on second reading and be referred to the Standing Committee on Health, Welfare and Social Affairs. We ask the Central Mortgage and Housing Corporation, which is a public corporation, to set an example for banks and all other private lenders by establishing a minimum interest rate for mortgage loans for all those with an annual income of less than $15,000. Finally, we would like all new owners of single family dwellings to be allowed to deduct from their income tax their interests, their municipal and school taxes, a devaluation of at least 10 per cent and maintenance costs. We are only asking for the same favours that the government has always granted to large builders of apartment buildings.

Also, we would like the assistance granted to municipalities to be a direct grant on the capital invested and we would like the municipalities to be able some day to borrow money from the central bank at administrative rates instead of always doing business with commercial banks which, in reality, are the banks of the private sector. This way the assistance provided to municipalities by the government would not be another way for municipalities to get deeper in debt.

Madam Speaker, it is not sufficient to add a few millions for housing. It is not sufficient to say: Well, we shall vote $100, $200 or $300 million for housing. What is important is to know who will benefit from these millions. This is what we shall probably find out during the third reading debate, once the bill has been studied by the Committee and once the amendments which will make it more acceptable for the population in general and those who truly need a home at the present time have been included.

We are now saying: We will encourage large builders, or even multinational corporations to build rental housing. What people want is not to be tenants, but homeowners. That is the aspiration of a family. It is not with this bill that we shall meet this greatest of all aspirations. This is why I wish the bill will be amended. For the time being, we shall simply allow the bill to be passed on second reading.

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, this is not the first time this year that we have had occasion to speak on the important subject of housing. I continue to be amazed by the fact that it is possible to deal with this important issue so many times and yet accomplish so little. If one looks around the chamber this afternoon, one may be able to get an answer to that question. The Minister of State for Urban Affairs (Mr. Danson) is not able to be here. I do not know where he is. I understand that the president of Central Mortgage and Housing Corporation—

Mr. Blais: The minister is in Vancouver.

Mr. Oberle: Oh, he is campaigning in Vancouver. That is a very good pursuit.

Mr. Blais: Madam Speaker, I rise on a point of order. The Minister of State for Urban Affairs (Mr. Danson) is in Vancouver dealing with the matter of Habitat which is one of his ministerial responsibilities.

Mr. Oberle: If anything needs to be dealt with, it is certainly Habitat. I wish the minister a lot of good luck and good fortune in his dealings with the mayor and officials of Vancouver. Perhaps he will inform them of the government's intentions with regard to Habitat, because there exists in Vancouver and in many other areas of western Canada a great deal of confusion about the minister's intentions.

Perhaps it is not fair to refer to the minister's absence this afternoon. However, not only is the minister absent but so are the president of Central Mortgage and Housing Corporation and the deputy minister of the Department of Urban Affairs. I understand he is in the United States at a place called Key Biscayne checking out the existence and functioning of condominiums. I am sure that will help the housing situation here. Another reason for the housing problem in Canada is that the minister and the deputy minister do not frequently communicate with each other. Even if a message were reported by the minister or his parliamentary secretary, I very much doubt whether it would make it all the way to the powerful office of the president of the corporation.

● (1610)

There was a debate on this matter last February, during which quite a number of interesting and most constructive proposals were put forward which could have been included in the bill now before the House. The only positive thing I have heard said in this debate was by the Liberal backbencher who spoke a short while ago. As I do on every occasion, he identified the real villians in the housing field in Canada, namely, the financial institutions and the large urban developers who get the biggest share of the pie and direct this country's housing programs.

Mr. Nystrom: Friends of the Tory party.

Mr. Oberle: Those kind of people are more readily identified with the New Democratic Party. It is not very long ago that the NDP supported the government in this House. One would have expected the minister and his officials sooner or later to recognize some of these proposals and implement them.

Rather than rehash the proposals made during the last housing debate, I should like to say something about why the housing minister and his department are not geared to finding more positive solutions. I am not saying there are no positive aspects at all to this bill; I want that to be quite clear. There are some good proposals in Bill C-77. Clauses 6 to 11, for example, provide for federal assistance to provinces and municipalities for the installation of sewage and water services. Assistance is provided now, and this is a further extension. This was called for by members of the opposition for years. It will permit municipalities to become eligible for Central Mortgage and Housing Corporation loans for the installation of trunk sewers and other facilities which smaller places in rural areas in mid and northern Canada to not have the resources to construct.

Clause 12 provides for the making of loans to provinces or municipalities for up to 50 per cent of the cost of

installing sewage and water systems. Clause 14 removes income and family-size stipulations regarding AHOP loans. If I may speak for some parts of the area that I represent, may I say that AHOP loans are not much of an innovation in the housing field because a lot of the considerations which in fact are a hindrance in my area are not addressed by this bill. I refer, of course, to the cost of maintaining and heating a house and the provision of water, sewers and other utilities.

The clause providing for $1,000 grants to municipalities respecting the servicing of land is a very important and most significant innovation and will help smaller communities defray some of the cost of servicing land, particularly in areas of northern Canada where it is very expensive to instal services. Even though this provision is subject to the approval of some provinces, I do not expect it will be difficult for the minister to achieve their co-operation.

Clauses 15 to 19 make no mention of the Governor General's recommendation. They provide for the smooth merger of Central Mortgage and Housing Corporation and the Department of Urban Affairs. I do not recall the House discussing this subject before. This merger between CMHC and urban affairs is a recent proposal; as I have said, I do not think that the president of CMHC and the acting deputy minister of urban affairs have let anyone in on the secret yet. It will be interesting to see what happens. The actual merger, presumably, will be carried out by order in council.

Clause 15 establishes the position of chairman of the board of Central Mortgage and Housing Corporation. This position must be filled from within the public service, and undoubtedly the deputy minister of urban affairs or the acting deputy minister, our friend Mr. Teron, will assume the title. The title of president will be retained, but the new chairman will take over his voting role on the board of directors. This interests me particularly in light of some of the things that have been said about this particular person, who will now assume this all-powerful position.

The provision in the bill regarding lending institutions directing another $750 million into the financing of new low and moderately-priced houses is, of course, a farce. The barons of the housing industry, and more importantly the barons of the financial institutions who are the approved lenders to Central Mortgage and Housing Corporation, on whom the government depends for its national housing program, will see to it that the flow of private institutional capital will always be at a time and at a volume that is in the best interests of these institutions, and that interest rates will remain excessively high so that private capital is not attracted to this housing market.

As the minister himself, as well as opposition critics, have pointed out, this requirement is not accompanied by legislative sanction; it is simply a suggestion. A committee will be established to monitor the performance of private lending institutions and the minister has told the House that he is all-confident that this will indeed take place. I say to you, Madam Speaker, and to my colleagues that this is, of course, just a dream of the minister which will not be fulfilled.

The government's centralized power structure is, and will remain, painfully apparent in the field of housing as long as people like the present president of CMHC and the deputy minister of urban affairs are at the controls. The provision of housing in a country like ours is more than just an essential component of an accepted lifestyle; it is an effective tool to stimulate or to retard the economy. It can be a tool to direct the socioeconomic development of the various regions of our country.

On looking at this bill and at legislation that we have discussed previously, it almost seems as if the government is still set on moving 95 per cent of our population into the larger urban centres. In none of these measures is there any sign that the government is going to follow the desire of Canadians and decentralize large centres, populating the rural areas of our land.

We on this side of the House have repeatedly made proposals that would have the effect of attracting small private investors to the housing market. Having lowered down payments and made it possible for Canadians to purchase homes, we must protect young families against the impact of high mortgage rates. This can be done in many different ways and has been effectively applied in many countries. My colleagues and I have spoken about this before and it is something that has been traditionally tried and accomplished in the United States. First, we could allow excessive interest rates to be deducted for the purposes of taxation. This should not upset the lending institution too much since they would continue to enjoy their high levels of interest rates because the subsidy would come from the public purse.

● (1620)

A better solution, however, would be to allow small investors to place money in the domestic housing market and deduct their interest earnings for the purposes of taxation. This would have the effect of giving us 7 per cent or 8 per cent interest rates in the domestic housing market. What difference would it make to small, private investors, who would still be getting 12 per cent on their money invested in stocks and bonds, as between paying interest on that 12 per cent or lending the money for the domestic housing market at an 8 per cent interest rate on which they would pay no income tax? The result would be the same, but the difference would be, of course, that we would have interest rates that would stimulate housing investment in this country. Other countries are offering savings plans to investors who are preparing young families to move into new houses some time in the future. Often, parents in those countries help their young people prepare for this event.

The bill makes reference to the Federal Mortgage Exchange Corporation and I should like to say a few words about that. The establishing legislation for this corporation has been in existence for over three years. The Progressive Conservative party has pressed for this organization to be made operational for almost that long. The purpose of the corporation will be to buy and sell mortgages, thereby enabling smaller investors to enter the mortgage market. This operation could do much to increase the liquidity of second mortgages as an investment vehicle, but their credibility at this point is somewhat lacking.

The corporation's operations has been promised for three years. What, if anything, is there to indicate that this is not

just another promise at this time? The minister responsible has stated that this organization will have an operational budget of $75 million. This is both ironic and a pity when one considers its budget was cut when it was not even operative. Its budget was cut, of course, in the June 23 budget.

I would be neglecting my duty if in the last few minutes allotted to me I did not make reference to the native and rural housing program. The House will recall that the last two times I spoke on this subject—in February and last year in the fall—I questioned the minister as to the progress of the program which, in his words, was to acquire or build 50,000 housing units for native people or people living in rural areas over a period of five years, and the same number of housing units were to be rehabilitated. In other words, there was to be an increase in housing inventory in rural areas available to the native citizens amounting to 100,000 homes.

This program was announced some time early in 1974. I asked the minister in November how it was going, and he admitted that 24 of the 50,000 homes had been started. I suppose one has to start somewhere. But in February, when I spoke on this subject, I made inquiries of the information service of CMHC and was told by one of the officials there that such a policy called the native and rural housing policy did not exist. That prompted me to make reference to it in the House of Commons. I have a letter here which the previous minister wrote me on the subject. One paragraph reads as follows:

> We have just given a grant of $219,000 to the BCANSI—

That is the British Columbia Association of Non-Status Indians. The letter continues:

> —to assist them in developing a housing delivery system. Their proposal includes the construction of 3,500 new houses, the upgrading of 1,750 existing houses and the purchase of 1,750 houses for resale or rental to native people over a period of seven years.

This letter is dated April 30, 1974. The paragraph continues:

> For the current year they have set as a goal the construction of 200 new units and the acquisition of another 200 existing units. They also hope to undertake an extensive rehabilitation and renovation program.

There was to be a sum of $219,000, mentioned by the minister, to set up a delivery system for that program in the province of British Columbia. I followed its progress a little bit and it appeared to me it was not just $219,000 that has been spent to set up this delivery system, but in addition there were grants from the Secretary of State to this most illustrious group to do all kinds of other things as well, all of which resulted in the fact that there was not a single house built in the province of British Columbia for that group.

I should be fair and say that 24 units, which the minister made reference to in November of this year, were actually built in British Columbia, and I suppose one might assume that the BCANSI group should take credit for that breakthrough. I discussed the matter with the minister and expressed his concern about this obvious waste of money. I was not too concerned that not very many houses had been built during the first year, but nowhere in the province did it appear to me that there was any aggressive attempt to get the program moving.

As a result of my intervention, this function was eventually taken away from that group and in British Columbia at this time we at least have something that is functional. Under the program there has been set up a delivery system which this year delivered or started close to 400 new homes. I must give credit where credit is due. The province has become involved. Native people are not sitting on the present board, but we have two or three very aggressive people on this new housing board and, in addition, we have regional managers of CMHC who have recognized the need, are supporting this group and are actually out selling the program.

Incidentally, this program is not very popular in Ottawa as yet. At a meeting last night of the Standing Committee on Indian Affairs and Northern Development, I asked the minister and his deputy how the program was working in conjunction with their activities. They were not entirely sure of the program and they did not realize it could be implemented on reservations. In any event, we got that matter straightened out and maybe some of my colleagues and people in the field will eventually look at it a little closer, recognizing the potential of the program if implemented on a broader scale throughout the country.

It frightens me when I look throughout this country and recognize that only in British Columbia is this program working at this time. I cannot, of course, criticize the minister or the government for not bringing in this kind of legislation. I do criticize them—I cannot put it in any other terms—for what appears to be deliberately keeping information from people who could be affected by this program, because the program is important.

● (1630)

While I have handed out some bouquets to some of the people who make the decisions in British Columbia, I should like for a moment to mention a little experiment I carried out in my constituency. I was asked by a person in a rural area adjacent to mine to give him a hand with the construction of his house. Since it is on the road I frequently travel, I decided to make the situation an experiment.

I spent some time with his family. There are ten children. It is a family of status Indians living off the reserve on a piece of land leased from the province. They have no budgeting problems. This is a very respectable family in the area. It occurred to me that this might be an interesting exercise. I told my constituent, of course, that I have 140,000 people in the constituency and that he would have to play along with me in carrying out this exercise. I took the time to visit various offices with him, particularly the Central Mortgage and Housing Corporation office in Prince George. I told the officer there, with whom I have a very good relationship, that I intended to test the system with this friend of mine who lives in the Hart highway area of British Columbia.

I told the official I intended to see that this family got a house. Of course, I was offered all possible assistance from this office of Central Mortgage and Housing Corporation. As soon as I returned to Ottawa I received a telephone call from my friend. I had told him that every time something went wrong or the monkey started throwing coconuts, I wanted to know about it. He told me that an official of

CMHC had come out to examine the situation, that he had looked at it and had stated that my friend was not eligible because he was a status Indian.

I called the official in Prince George and told him that status Indians may apply under section 40 of the National Housing Act. I told him that this is frowned upon by the Indian Brotherhood, but that so far as the government, CMHC and I are concerned, status Indians are eligible under the program. Of course, this was found out to be the case. Another official went up the highway to see my friend and told him that he and his family had too large an income to qualify for a loan either under the AHOP program or under section 40. He said they did not qualify because they had earned $24,000 in the previous year. It was demonstrated that this particular family did have that much money going through their hands. However, the man to whom I refer carries on a small business in the traditional Indian style of trapping, hunting, fishing and tourism.

Of course, he has some expenses. While all the money going into the bank amounted to $24,000 that year, it was easy to demonstrate that his disposable income was only $6,000. Since this man has a family of ten children, it is not difficult to understand why he would have a desire to build a house. This was sorted out. A third visit was made to my friend. I do not want to take up too much of the time of the House on this long story.

An hon. Member: Go ahead.

Mr. Oberle: All right. I accept the encouragement. On the next visit it was discovered that the land on which the house was to be built was under a lease that would expire in seven years. The minimum term for a lease under the program is 15 years. This officer, instead of simply taking up the telephone and asking the provincial government to extend the lease, told my friend that he could not build the house because the lease was not long enough. A normal person at this point would have thrown up his hands, but Harry, living up to the commitment he had made with me, called his member of parliament again and said that another coconut had been thrown at him to the effect that the lease was not of long enough duration.

This has been going on now for a year and a half. At one point I phoned the assistant manager of the CMHC office in Prince George and asked him what he was going to do. I reminded him that when I and my friend has visited him, I had told him that my friend was going to have a house. I asked him what he was going to do so that my friend could get a house. He is a sincere person; he is one of the more diligent servants of that corporation. As a matter of fact, he phoned the bank and asked if this man could be given a loan so that he could get started on building his house. Then the idea came up that he should go through the Department of Indian Affairs and Northern Development and take advantage of the program that department has, namely, the $10,000 down payment.

So a phone call was made to Indian Affairs and we were advised they would investigate it. That took some time. With the difficulties we have been having, particularly in British Columbia in having Indian Affairs policy made known to the people, it is not surprising that quite a bit of time expired. I did not argue too much because this $10,000 loan would have helped my friend. Finally, Indian Affairs decided that it would be extremely difficult to arrange this because my friend Harry did not live on the reserve. So the story goes on and on.

At this time, Harry and his family of ten children are not in a house. There is now a foot and a half of snow in the area where he lives. The family lives in a shack in which the inside walls are covered with those nice sparkling pieces of frost. In the morning when they get up, the pail of water that they have taken from a hole in the lake is frozen. They light a fire and thaw it out. So on and on it goes. This is just one of many such stories in this country. If this is possible in British Columbia, I shudder to think what would be possible in other parts of the country, particularly the Northwest Territories and the Yukon Territory where the provincial governments are not involved in providing some of the most essential facilities for our people.

I am attempting to demonstrate that it is not good enough for the government merely to understand the problems involved in providing housing for people who need it most. After some of the regulations and provisions are in place to solve the problem, we must be able to deliver housing to those who need it. This is not happening at the present time. I do not know what the solution is, but unless we address ourselves to this most serious problem we will have a situation in which another generation of Canadians living in rural surroundings in mid-Canada and northern Canada will be deprived of the most essential ingredient in the quality of life that most Canadians consider to be a right in this country.

● (1640)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the very fact that we are debating housing for the third or fourth time this year is proof that the policies announced by the minister in December, 1974, first debated in parliament in January, 1975, have been a failure in that the number of housing starts which the minister set as his objective last January when he first introduced amendments to the National Housing Act has not been obtained. Our party argued then that the minister was proposing to spend the money to meet the needs of the wrong groups of people, namely, people in the upper-income bracket rather than people in the low-income bracket who, regardless of how many subsidies or grants they may receive or how much relief from taxation they may have, simply cannot and never will be able to afford to buy a house of their own. We argued that what was needed was a major program of building rental housing for people in the low and middle-income brackets.

We are debating this proposal in December of 1975 because the minister and the government have failed so miserably to meet the objective which the minister set forth in January of this year. I could put on the record the appeals of the minister to private lending agencies that they be good citizens and put more money into housing voluntarily, which they did not do, and the later threats of the minister that if they did not do it voluntarily, he would introduce legislation which would force them to put money into housing—legislation which he has not brought forward.

So we are dealing again, in December, 1975, with a subject which will not go away. The record is clear, that we will not achieve the objective which the minister set forth at the end of 1974 of building 210,000 units.

Mr. Gauthier (Ottawa-Vanier): Sure.

Mr. Orlikow: There would have to be a fantastic spurt in order to accomplish that.

Mr. Cyr: It is a fantastic government.

Mr. Orlikow: Yes, fantastic in the number of mistakes it can make. It is interesting that there are interjections from two government members from the province of Quebec.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on a point of order. Although I am very pleased to be a Francophone, I was born and raised in Ontario and I am still living in Ontario.

Mr. Orlikow: It is an indication of how seldom the hon. member speaks that I confused him as being a member from Quebec. The point I want to make is still valid, that we have a government which has co-operated with the provincial government of Quebec and the city of Montreal in the expenditure of what will likely be more than $1 billion for a two week extravaganza called the Olympics in a city of 2.5 million people which is still dumping its raw sewage into the St. Lawrence river, a city which, I was told by a member of the city council in Montreal less than a week ago, will have to defer the construction of a sewage disposal system for four to eight years because they have borrowed so much money for the Olympics that they cannot borrow the money required to build a sewage disposal system,

Montreal is a city which every year builds fancy office buildings which are occupied by business tenants who write off 50 per cent of the rental costs as a business expense in the form of tax deductions, a city which each year has demolished several thousand moderately-priced housing units and replaced them with nothing, so that the obtaining of housing at a reasonable rent becomes ever more difficult. This is the kind of government which hon. members on the other side interject to defend. I am glad to see them do it because I think the record speaks for itself, particularly in that province.

It is not surprising that housing starts are not what they should be, because the government has refused to address itself directly to those elements which affect housing prices. Also, under the present anti-inflation program we can be certain that interest rates, which are the largest expense of the house buyer and are not controlled, will continue to stay high, and that land costs, which are the second largest part of the cost of a house, will not be reduced as a result of this bill or anything else that the government is proposing. There is no provision for land assembly. Speculative gains on land sales are not controlled under the anti-inflation program. Therefore, what we are faced with is a constantly increasing cost of housing.

Let us deal with the question of interest rates. My colleague, the hon. member for Broadview (Mr. Gilbert), speaking in this debate yesterday illustrated the situation in the city of Toronto. You could make the same calculations for my city of Winnipeg or for Montreal or Vancouver. For a house in Toronto, the average cost of which is $57,500—let us suppose that a person can find $17,500 for a down payment—a person would have to carry a $40,000 mortgage. At present, the interest rate is 12 per cent, so he would be paying $413 a month principal and interest for 25 years, making a total for that $57,500 house of $141,150, $83,650 of which would be for interest charges.

There are many people who bought houses five years ago when the interest rate was 9 per cent. They can only get a mortgage at that rate for five years, at the end of which time they, like everybody else, have to renegotiate the mortgage. The present rate is around 12.5 per cent, and on a $40,000 mortgage, amortized over 25 years, people who bought a house five years ago at 9 per cent interest will find that their monthly mortgage payments have been raised by $96, that is, $1,152 a year of what was discretionary income on their part which must be diverted into mortgage payments, not to mention rising property taxes, fire insurance rates, etc.

It is no wonder that people in other businesses, such as food, entertainment, appliances, etc., are wondering where they will be able to get their customers. The housing crisis is just as bad, if not worse, now than it was a year ago when the minister announced his program. In my own city of Winnipeg, which is far from being at the top of the list in terms of rate of growth and therefore a long way away from having houses at prices which are obtainable in cities such as Vancouver, Toronto or Ottawa, there is a tremendous shortage of housing. Last August, the Winnipeg *Tribune* carried an article headlined "City housing crisis forecast." Let me put on the record a few paragraphs from that article, written by Nick Hunter, a *Tribune* staff writer. He wrote the following:

● (1650)

> Winnipeg will stumble into a major housing crisis next month when apartment vacancies slide to near zero, private developers and government spokesmen say.
>
> Winnipeg's apartment vacancy rate was 1.5 per cent during the last CMHC survey in April, a stunning drop from the 2.6 per cent rate of mid-1974 and a high 5.5 per cent in January, 1972.

In another article he wrote:

> Houses in Winnipeg are selling at a record pace despite soaring prices and high mortgage interest rates.
>
> The average price of a home on the Winnipeg real estate board's multiple listing service was $32,297 at the end of July, compared with $26,054 at the same time last year.

In other words, that is an increase of $6,000 in one year. Later in the same article he says:

> To the end of July this year, construction starts in Winnipeg were made on 1,415 single-family and semi-detached homes, a 30 per cent drop from the same period in 1974. There were 1,242 houses completed, a 26 per cent decline from the first seven months of last year.

As hon. members opposite have said, there has been some improvement, but certainly the number of homes built in Winnipeg will not increase this year and will come nowhere near meeting the needs of the people. I have already indicated that the largest factor in the high price of houses is the cost of mortgages. One would think that this was necessary, when in fact the mortgage rate has been determined by the continued intention of the govern-

ment, working with the Bank of Canada, to keep interest rates in Canada higher than they are in the United States. One would think that the banks and other lending institutions simply could not afford to lend money for mortgages at a lower rate than the rates which I have already indicated they are charging. One would think that the banks are in bad financial straits. Nothing could be further from the truth. Just last week most of the banks issued their annual financial reports. A few days ago I put on the record the profit margins announced by the banks. They are tremendously high. I will not place them on the record today, because I seem to have misplaced them.

However, the major banks, including the Royal Bank, the Bank of Montreal, the Canadian Imperial Bank of Commerce and the Mercantile Bank, each showed profit increases over 1974 in the range of from 40 per cent to 125 per cent. It is not as if 1974 was a bad year, because in 1974 all the banks showed profit increases of something in the neighbourhood of 30 per cent. So we can see that the people of Canada are paying interest rates far higher than they ought to be paying.

The second reason for the high price of housing is the tremendous profit which is being made and which has been made by the large land development companies of Canada. Studies have been made in most major cities of Canada which indicate clearly that what we have is not a monopoly but a dozen or less companies who between them have purchased most of the land which will be needed in the next ten years. They purchase the land at relatively low cost, hold it until there is a demand, and then make exorbitant profits. Frank Clayton, a Toronto economist, made a study of the way the land development industry operates in Toronto. That study was reported in the *Globe and Mail* on September 26, 1975. He suggested the following:

—Toronto land developers made "very large" gains during the period from 1961 to 1975 because of rising house prices.

Dr. Clayton's study found that the average increase in the land component in the price of a house was $17,000 between 1971 and 1975. "It is unlikely that development costs including cost of servicing increased by more than $5,000 over this period."

That difference represents a clear and unconscionable rip-off of the Canadian house purchaser by the development companies. Later in the same article, Dr. Clayton is reported as follows:

He estimates that house purchasers in metro Toronto paid an additional $630 million during the last three years because of the lack of sewage treatment facilities.

Dr. Clayton also pointed out that while family incomes jumped sharply in the period between 1961 and 1975, the percentage of the family income which went into home ownership increased by far more than the increase in family income.

In 1961, 28 per cent of a family's income went to home ownership, but by 1975 this figure had risen to 42 per cent.

It has been assumed that people should not be paying more than 30 per cent of their total income for housing. When people are paying 40 per cent to 50 per cent of their total income for housing, they are sacrificing other essentials simply because they have been forced to buy a house, and to pay more than they can afford, because there is no housing available in the rental market.

Mr. Speaker, may I call it five o'clock?

[Mr. Orlikow.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Parkdale (Mr. Haidasz)—External Affairs—Helsinki agreement—Method of determining extent to which commitments fulfilled; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—Post Office—Maintenance of right of casual employees not to join union.

[*Translation*]

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

PRIVATE BILLS

[*Translation*]

NORTHLAND BANK ACT

Mr. Joseph-Philippe Guay (St. Boniface) moved that Bill C-1002, to incorporate Northland Bank, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Guay (St. Boniface) moved that the bill be read the third time and do pass.

● (1700)

[*English*]

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, nearly six months ago I spoke in a similar debate on another bank. At that time I was moved to comment on a bill which has not yet passed first reading stage in this House. I think it is lamentable that we are still at this stage 14 months after Bill C-7 was introduced by the former minister of finance. The bill has not been proceeded with. It had the dual purpose of enabling banks to be incorporated by the ordinary letters patent method, rather than by an act of parliament, and enabling the provincial government to own 10 per cent of the stock in a bank. Without in any way indicating that we on this side support Bill C-7, I would agree that its purposes are commendable. We are reserving our decision until the government

decides to bring the bill in. But surely time would be saved if there were not 14-month delays.

Evidence adduced in committee disclosed that ten prairie-based co-operatives will combine their efforts to support the Northland Bank. It is no surprise to me, as a member from British Columbia, that those in what they call the west—although, of course, we do not really consider the prairies as part of the west—would consider that they need a bank to serve their area of commerce. In the west we have often had the feeling that the eastern bankers are not sufficiently concerned with the problems of western businessmen and favourable decisions are hard to come by. I think the eastern banks would do well to reassess their opinions. This is the second time in a few months that a proposal for a western-based bank has come before parliament. A bank in British Columbia was incorporated not too many years ago.

I would recommend that the Northland Bank group be sent on their way with best wishes. The committee study showed that it was a well prepared group and had thoroughly investigated the task ahead. Their head office will be in Winnipeg and they have stated their intention of establishing offices in Calgary, Edmonton, Regina and Winnipeg, so the business interests of the prairies will certainly be represented. It is their stated intention to serve business in the prairies with operating capital and term loans as necessary. These have been hard to come by in the prairies. I do not intend to repeat the list of their purposes here, but I think they are commendable and will provide a viable commercial and banking activity for businesses on the prairies.

If I had any concern about this bank it would be that the capital appears to be extremely low. Initially, the capital will be $10 million, half of it being subscribed by the sponsors. I compared that with recent incorporations and found that the Canadian Commercial and Industrial Bank, for instance, had capital of some $22 million although only half of it was called initially, as is usually the case. The Bank of British Columbia has done nicely with a branch bank operation with $12.5 million capital. The figures compare with those of the six major banks which have equities of at least $100 million; the Toronto Dominion Bank has equity of $334 million. Of course, the larger banks carry a very great branch structure which is costly, as is the servicing of individual deposits.

It was not too difficult to be convinced that this group with the Northland Bank could service their intended type of operation with the capital they have produced. I am sure the skill and expertise of the officers and chief executives of this bank will serve it well. Mr. Speaker, I take great pleasure in giving the approval of this side of the House to Bill C-1002.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am happy to second this motion. I visualize the Northland Bank, in essence, as the first publicly-owned bank in this country. It will be in competition with the chartered banks. As we all know, a number of co-operatives will own about 50 per cent of the shares in the Northland Bank. The bill before parliament would also allow an amendment to the Bank Act which would enable provincial governments to purchase up to 10 per cent of the outstanding shares of one of the existing banks. There is a possibility that Manitoba and Saskatchewan might be interested in going into partnership with the co-operatives and credit unions with a view to owning and controlling the first bank to be publicly directed by the people of this country. For that reason, I second the motion before the House.

The idea originated about four years ago when a number of people discussed the possibility of having the headquarters of a bank in the prairie provinces. As everybody in this House knows, the prairie economy has been growing very rapidly in the last few years through the development of oil in Alberta and the potash industry in Saskatchewan. The latter will be booming in terms of investment and revenue as world demand for fertilizer increases. As a result, I believe there is a place in the prairies for a Canadian bank.

The principal owners of the bank will be the credit unions and the co-operatives. The co-operatives are an indigenous part of the history of the prairie provinces. As well as the credit unions and retail co-operatives, we have the Farmers Union which markets over 70 per cent of the grain. The co-operatives have an impact on the lives of the people of the prairie provinces, particularly Saskatchewan, based on a philosophy of people working together rather than the old philosophy of private enterprise and the profit motive.

The group supporting this bank is made up primarily of different co-operative associations of the prairies. They are as follows: Federated Co-operatives Ltd., Co-operative Fire and Casualty Insurance Company, Co-operative Life Insurance Company, Co-operative Credit Society of Manitoba, Canadian Co-operative Implements Limited, Saskatchewan Co-operative Credit Society, Co-operative Trust Company of Canada, Co-operative Superannuation Society, and the Calgary Co-op Ltd. These groups committed themselves to put up approximately 50 per cent of the planned capital of $10 million with which the bank will begin.

● (1710)

Shortly after the October election which brought in a minority government, the western economic opportunities conference was held in western Canada. People attending the conference said that we need a western bank to be based in the prairies. Some governments actually talked of owning such a bank, or investing in chartered banks, as it was felt this would give them greater control of the banks. This, in turn, would be of benefit to the public and enable governments to invest in social programs which we felt were more important than mere money-making schemes. I understand that a bill is to be brought forward in this House which will permit provincial governments to invest in chartered banks. This will be a step in the right direction.

Let me voice a concern. I believe the private, chartered banks of this country are becoming too powerful. Their immense power and wealth enables them to make decisions which can run counter to decisions which parliamentarians, as representatives of the people, make or should make. The time has come for this country to consider the possibility of putting the entire banking and financial system of this country under public ownership. I exclude co-ops and credit unions which are already owned by the

people and controlled on the basis of one vote per shareholder, no matter how many shares any shareholder may own. The time has come for the public, collectively, to own our financial institutions so that we can make decisions according to social need, rather than according to the needs of multinational corporations operating here or overseas which are interested in profits. We want to consider this as we approach the decennial review of the Bank Act in 1977.

I saw in the newspaper the other day that the profits of our chartered banks have risen immensely over last year's profits. Their earnings were greater than those of the resource or manufacturing sectors. If I recall correctly, they earned some 41 per cent more last year than in the year before, and 81 per cent more in the third quarter of this year than in the third quarter of last. These are immense profits and we would do well to consider putting such a business enterprise under public ownership.

The establishment of the bank being considered is a step in the right direction as it will mean that a new bank will be based on the prairies. Co-ops, credit unions and, hopefully, western governments will invest in the bank. For these reasons I support its establishment. This is a good move for the people of the prairies and will provide help to ordinary people and small businessmen which is not available today. Our credit unions and co-ops have a good record for helping ordinary people of the kind our chartered banks will not touch. Such ordinary people hold out little prospect of profit. Perhaps this bank will operate differently, be closer to the community and provide many of the social and economic services which the small people, the farmers and others of rural communities on the prairies need.

For these reasons I support the establishment of the bank. I shall watch it closely in years to come, to see if it lives up to expectations as a bank with a difference, with a social conscience, as a bank which will try to work for the benefit of the community instead of working hand in hand with multinational corporations for profits.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we are dealing tonight with private bills and more specifically with Bill C-1002, entitled "An Act to incorporate the Northland Bank".

Mr. Speaker, I should like to point out in connection with parliamentary procedures that, whenever a private bill is called at 5 o'clock in the House, it seems extremely difficult to have it adopted, while on the contrary, whenever a bill to incorporate a new bank is called, it seems that nobody can object, that everybody must keep quiet, in order to let some hon. members set up a corporation and open a new bank in Canada. Well, Mr. Speaker, as you know, we have always been in favour of a monetary reform, and when we realize that some individuals want to set up a new bank in Canada, we have a unique opportunity to tell the House what we think not of banks as such, as private institutions, but of the Canadian monetary system and what ought to be changed.

I have been struck, Mr. Speaker, by the exchange between the hon. member for Bellechasse (Mr. Lambert) and the bank's president, Mr. Wilson. As reported on page 74:28 in Issue No. 74 of the Minutes of Proceedings and Evidence of the Standing Committee on Finance, Trade and Economic Affairs, the hon. member for Bellechasse (Mr. Lambert) asked Mr. Wilson this question about the bank to be incorporated:

Will this new bank that you hope to set up have the privilege of multiplying its deposits by X per cent, . . .

To which Mr. Wilson gave this answer a bit later:

Northland Bank is not creating money.

A bit later, as reported on page 74:38 of the same issue, Mr. Wilson had this to say:

What you have described is, of course, the path of money as it flows through the economy. In a sense what you say is correct; money is created.

Mr. Speaker, for years we have said that banks are making money from nothing.

● (1720)

We were laughed at. We were not believed. But tonight, for the benefit of my colleagues, I shall quote many bank managers, presidents of the United States or other countries and important men who admitted years ago what Social Crediters have always advocated. I shall therefore tonight make a short history of the international monetary system, or rather of the creation of banks in the world.

In 1694, when King William III found himself in financial difficulties, he called upon a group of London merchants who lent him the sum of 1,200,000 sterling pounds at 8 per cent interest, in addition to a sum of 4,000 pounds for the administration of the loan. In return for that loan, the king gave the merchants the privilege of establishing the Bank of England, along with the right to issue credits or loans for amounts above their liquid assets or reserves.

In 1935, the former Prime Minister of Canada, the right hon. William Lyon Mackenzie King, said:

[*English*]

—the government's most conspicuous and sacred responsibility—

[*Translation*]

—was given, in 1694, by the King of England, to a group of London merchants who later on founded the Bank of England. Seventy years later, England having given over control of its money and credit to the London Merchants Association, by then become the England Bankers Association, which founded the Bank of England, Mr. Benjamin Franklin, then ambassador of the English colonies at London, on being asked why the colonies were so prosperous, answered:

[*English*]

—because we issue our own money. In 1764, England prohibited this practice.

[*Translation*]

Because England, at the time, issued its own money without going through the intermediary of the banks, it prevented the colonies from issuing their own money and credit.

[*English*]

In 1811 Congress voted down the renewal of the charter of the First Bank of the United States, which precipitated the war of 1811.

In 1861 the international bankers well knew that "debt free" money, or "honest money" would cause unlimited prosperity, which they could not control—

[*Translation*]

And, in 1862,—

[*English*]

In 1862 Lincoln issued $450 million United States notes, backed by the integrity of the nation and spent into circulation in accordance with this constitutional clause. On May 31, 1878, the amount of these "Lincoln Greenbacks" in circulation totalled $346,691,016. On that date a statute was enacted prohibiting the withdrawal of "Lincoln Greenbacks" from circulation. On March 19, 1963, the Treasury Department advised that this issue is carried in their statement as "Debt Bearing No Interest." If these notes had borne interest at the rate of 5 per cent per annum, compounded semi-annually, the total interest cost through December 31, 1963 would have amounted to approximately $100 billion.

[*Translation*]

Mr. Speaker, on December 23, 1913, two days before Christmas, Senator Nelson Aldrich of New York, dean of the Rockefeller clan, taking advantage of the absence of the Congress over the Christmas holiday, amended Section 1, Sub-section 8, para. 5 of the American Constitution, which read as follows:

[*English*]

"Congress shall have power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."

The next clause in this same Section 8 of the Constitution says that the Congress has the power to "punish counterfeiters."

[*Translation*]

On December 23, 1913, the American congress passed the Federal Reserve Act, at the instigation of Mr. Aldrich, Senator for New York, led by the European Rothschilds—

[*English*]

This Federal Reserve Act gave the power to coin the money to the Federal Reserve Banks, a system owned and operated not by the United States Government, as many have been led to believe, but by a group of private Rothschild and affiliated bankers sent here from Europe, sent here for the express purpose of gaining control of this nation's money system.

[*Translation*]

This is why Minnesota Congressman Lindberg said after the change in the U.S. constitution, and I quote:

[*English*]

"This Act establishes the most gigantic trust on earth. When the President signs the Bill, the invisible Government by the Monetary Power will be legalized . . .

[*Translation*]

And, Mr. Speaker, Mr. MacFadden, former Pennsylvania Bank Association chairman, said to the Congress on June 10, 1930, and I quote:

[*English*]

"Mr. Chairman we have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks. This evil institution has impoverished and ruined the people."

[*Translation*]

And in the debates of September 21, 1964 of the U.S. Committee on Banking, Trade and Commerce, we can read the following: As former U.S. President Abraham Lincoln said:

[*English*]

The power to create money is an inherent power of government. As President Lincoln said·

The privilege of creating money and issuing money is not only the supreme prerogative of the government, it is the government's greatest opportunity.

During the past several centuries, various governments in the Western World have, at various times, delegated the money-creating power to private groups or had this power taken from them by default. In these situations, control of the nation's affairs has been not so much in the hands of the official head of state, but in the hands of the private groups controlling the money system. A famous British banker once summed up the matter this way:

They who control the credit of the nation direct the policy of governments, and hold in their hands the destiny of the people. (Reginald McKenna, Chancellor of the Exchequer in Britain during the World War I period).

[*Translation*]

And Mr. Henry Ford Sr. had said:

[*English*]

If the people understood the banking system there would be a revolution before morning.

[*Translation*]

Mr. Speaker, the control over the monetary policy of a country by banks is exercised through the sale of government bonds to private banking firms, namely the banks, and this is clearly expressed in the following:

[*English*]

The answer to above question was given by London bankers in their "Hanzard Circular", 1863 to their colleagues in the U.S.A., when the National Bank Act was being drafted. The existence of the banking system depended on the issue of governement bonds which must be used as a banking basis; for whereas they could not control the issue of government money, "we can control the bonds and through them the banking issues."

[*Translation*]

Mr. Thomas Edison said this about government bonds which are sold to private firms, namely banks, and I quote:

[*English*]

"If our government can issue a dollar bond it can issue a dollar bill. The element that makes the bond good makes the bill good also. The difference between the bond and the bill is that the bond lets the broker collect twice the amount . . . the currency pays nobody but those who contribute in some useful ways."

[*Translation*]

—contrary to what Mr. Wilson said at the beginning of his remarks before the committee, Mr. McKenna, Midland Bank of England chairman said, quote:

[*English*]

The bank can create money out of "nothing" and destroy it just as well, but the debts remain years, centuries, even if the money has disappeared.

Governor Eccles, president of the Reserve Bank of United States:

The banks create and destroy the money.

Graham Tower, governor of the Bank of Canada:

It is very evident that the banks create money out of "nothing".

When a bank lends, it creates money out of "nothing",

"Further, I agree that banks create money and that trade depression arises from faults in the banking system in the discharge of that vital function."

—R. G. Hawtrey: Assistant Secretary to H. M. Treasury, B.B.C. Broadcast, March 22, 1933.

Permit me to issue and control the money of a nation, and I care not who makes its laws . . ."

—Mayer Anselm Rothchild.

Someone has to borrow every dollar we have in circulation, cash or credit. If the banks create ample synthetic credit, we are prosperous; if not, we starve. We are absolutely without a permanent money system. When one gets a complete grasp of the picture, the tragic absurdity of our hopeless position is almost incredible; but there it is. The banking problem is the most important problem intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood and the defects remedied very soon.

—Robert Hemphili, U.S. banker.

● (1730)

[*Translation*]

Mr. Speaker, I could go on with those quotations for ever. American President Woodrow Wilson used to say, and I quote:

[*English*]

President Woodrow Wilson had this to say:

"A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation and all our activities are in the hands of a few men. We have come to be one of the worst ruled, one of the most completely controlled and dominated governments in the world—no longer a government of free opinion, no longer a government by conviction and vote of the majority, but a government by the opinion and duress of small groups of dominant men."

"The great monopoly in this country is the monopoly big credits."

[*Translation*]

What I find most amazing about all that, Mr. Speaker, is to see the NDP which is on record in the House as an opponent of monopolies, support credit monopoly which is, however, the height of monopoly. I was amazed today to see an NDP member supporting a bill which aims at enlarging credit monopoly. Since we all know that credit monopoly automatically leads to production monopoly, the Neo-democrats think they can control the latter through state socialism in government, without interfering with credit monopoly which always stands above government.

[*English*]

Senator Louis McFadden had this to say:

The Federal Reserve (privately owned banks) are one of the most corrupt institutions the world has ever seen.

Horace Greeley, founder of the New York *Tribune*, has said:

While boasting of our noble deeds, we are careful to conceal the ugly fact that by an iniquitous money system we have nationalized a system of oppression, which though more refined, is not less cruel than the old system of chattel slavery.

President Andrew Jackson:

If Congress has the right under the Constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or to corporations.

[*Translation*]

At the Canadian Banking Committee meeting, as may be seen on page 394 of the minutes, Mr. Grant Howard said in answer to a question, I quote:

[*English*]

Will you tell me why a government with power to create money should give that power away to a private monopoly, and then borrow that which parliament can create itself, back at interest, to the point of national bankruptcy?

MR. GRAHAM TOWERS: Now, if parliament wants to change the form of operating the banking system, then certainly that is within the power of parliament.

[*Translation*]

Mr. Speaker, it was before the banking committee as well that Mr. John Adams, President of the United States in 1787—

[*English*]

All the perplexities, confusion, and distress in America arises, not from the defects of the Constitution or Confederation—not from want of honour or virtue so much as from downright ignorance of the nature of coin, credit and circulation.

Mr. Philip Benson, president of the American Bankers Association:

There is no more direct way to capture control of a nation than through its credit system.

Mr. Mackenzie King, as reported in *Hansard* for June 27, 1934, said:

As I said the other evening, once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation. Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred RESPONSIBILITY all talk of the sovereignty of Parliament and of democracy is idle and futile.

[*Translation*]

Mr. Speaker, those were the words of the right hon. Prime Minister, in 1934, when the Alberta Social Crediters were about to take power. In the speech he made in Saskatoon, he repeated the same historical phrase, and in the House, on June 27, he repeated it again to gain the votes of the Social Crediters. At this time, the Social Crediters from the west believed in the Prime Minister's good sentiments but, once in office, in the House, the Bank of Canada was established and became a shadow bank, which does not play its part.

It is used as a mere "blanket" by chartered banks since the Bank of Canada does not have any control over Canada's monetary system. This is why the Social Crediters are not against the establishment of a new bank. The purpose of banks is to achieve profits, not to create money in the form of credit. We have nothing against banks earning profits but we do not want them to coin money in the form of credit in bank accounts.

Mr. Deputy Speaker: Order, please. I am sorry to have to interrupt the hon. member, but the time allotted to him is over.

Mr. Rondeau: Mr. Speaker, I need only a few minutes more to end my remarks. I might have as many as 40 or 50 quotations from people highly qualified to talk about finance. But when someone dares say in this House—

Mr. Deputy Speaker: Order, please. If the hon. member wishes to pursue his remarks, he will have to ask for the unanimous consent of the House.

[*English*]

Is there unanimous consent to allow the hon. member to complete his speech?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Deputy Speaker: There is not unanimous consent.

Mr. René Matte (Champlain): Mr. Speaker, in connection with the comments which have just been made by my colleague from Shefford (Mr. Rondeau), I would like to point out that when such a bill is introduced, there is a chance that an agreement will be reached to let it pass.

It must be realized that it is precisely a field where we are ridiculed each time we mention among others the possibility of making the services of the Bank of Canada available to all Canadians. We are almost laughed at, we are accused of ever advocating a fad and some go as far as referring to our money printing-press.

Mr. Speaker, for many years, we have been ridiculed because we have been urging the government to let the Canadian people enjoy the advantages so easily grated to chartered banks, as they want us to do this evening by remaining silent and allowing another bank to create credit.

● (1740)

We are obviously not against the principle of creating credit, but we would like so much that the principle be established to foster the development, the progress of the country and since the serious consideration of the proposals that are made is systematically denied, that strikes us as rather strange at a time when we are examining the possibility of giving another corporation the opportunity of doing exactly what we ask be done by the Bank of Canada.

Mr. Speaker, nothing could be more normal than our seizing this opportunity during private members' hour to point out to each member of the House that there should be more logical and serious reactions to our proposals to make credit social for the benefit of Canada as a whole. Mr. Speaker, it is rather odd and strange that that principle be accepted on one condition: that others could benefit from it. People agree with the suggestion to create money, to create credit, on condition that it may serve to enrich some high financiers and increase their assets and capital. Under this condition, it is good.

But when we urge that power be given to issue the credit needed to develop as a nation, apparently it is no good any more. It is fair provided it is given to others so they will grow rich. But if we refer to the same principle and if we are willing to increase the benefits of chartered banks, we should like Parliament to understand that we want to apply it only for the public financing that we need and to use it as a means to fight inflation.

Northland Bank

The House has been dealing for the past few days with an example which I should like to submit to hon. members. Canada is faced with a financing problem which I feel is becoming something of a catastrophe: the Olympic Games in Montreal. Although we are only a few months away from the opening of these games, we know already that there will be a $600 million deficit and that, to date, the federal government is leaving the whole responsibility for this deficit in the hands of the Quebec government. Mr. Speaker, let us consider what is taking place and what will take place tomorrow.

As to the $600 million needed to be able to wipe out the eventual deficit of those games they can be obtained through any chartered bank in Canada and perhaps through this new bank. According to the Prime Minister—that is his answer to date—the City of Montreal and the province of Quebec said they would manage to fill the deficit themselves. So they will resort to loans and they will have to borrow $600 million and repay it at a rate of 9, 10, 11, 12 or 13 per cent which means that generations and generations will have to pay for that gigantic debt.

Mr. Speaker, why authorize high financiers through chartered banks to finance that project to the detriment of the whole population which will have to pay a lot for the profits of the bank owners? Actually, we could loan ourselves the credit required without interest since it must be readily admitted that if we loan ourselves the credit that is needed, we do not have to pay ourselves the interest, because there would be absolutely no point in it. Why? We would certainly like to have an answer to that. Why systematically go into debt by giving high finance permission to lend us to better take away from us a good part of our incomes through interests? And why admit the principle that the Royal Bank, the Bank Canadian National, the Montreal Bank, the Northland Bank should have the permission to issue the credits required, well paid of course, through interest? They are given that permission and we would be too stupid, too innocent, to give it to ourselves. That is where the problem lies. And we are taking this opportunity precisely to point it out.

And if this Parliament can give an authorisation to individuals to create credit—I did say create—and make enormous profits with the permission that is being given to them, how is it that it is very funny when we advocate the election of the Social Credit Party of Canada? How is it that that becomes funny then? Why does our party become a money printing press and why tonight do we have to deal with the incorporation of the Northland Bank? What difference is there? Yet, when we ask that Parliament authorize the Bank of Canada to issue the credits needed for public financing, for the progress of the whole country, how is that we are told: Well, you are going to get your money press going to be able to finance. Your solutions are easy, you are going to print money. And we are ridiculed when we ask that, when we suggest it. But we should not laugh when we are being asked to grant that permission to Messrs. Ronald Thomas Curtis, Henry George Decuypere, Richard Earl Foster, Donald Victor Larson, Philip Duncan Sampson.

● (1750)

Mr. Speaker, let us face things in a logical and realistic way once and for all. Why are our proposals turned down?

When we get a truly logical explanation of that unfair policy, maybe we will be in a position to give the hon. member for Saint-Boniface (Mr. Guay) more satisfaction. However, Mr. Speaker, we cannot miss this opportunity of stressing the lack of logic of a government which is going to accuse us of being one-track minded when we suggest that we should be given the permission to grant ourselves credit. After deriding us for advocating that measure, they come and ask us: Gentlemen, allow this bill to pass, since what you are requesting will be granted to some people.

Mr. Speaker, they just seem to be thinking of us as a bunch of insignificant dummies. Even if only to remind all hon. members that we are not such dummies as that, I will have been quite glad to take part in this debate and insist that we do not object in principle to people setting up bank to try and help people borrow funds. We would just like to stress that if that principle is a good one, it always is. It should be applied especially where it is most needed, that is in financing state ventures. It should be applied anywhere there is a possibility of achieving financially all the physical potentialities we may have, Mr. Speaker, especially in an inflationary situation such as the present one, at a time when we are trying by all means to curb inflation, when no one thinks of attacking the roots of the problem, but when they just try to deal with a dramatic situation through price freezes and wage controls.

Mr. Speaker, we should now more than ever set up banks and provide credit. We agree with that, as stated in the provisions we have to study, Mr. Speaker, we would just have the very same principle implemented in the management of our nation. And since it is an authority which we would confer on ourselves on behalf of the Canadian people, that is why we always say that there should be no interest. Mr. Speaker, if that principle were understood, I am sure we could very easily welcome requests such as the one that is made to us.

I would like to conclude by saying this: through this proposal, the government wants us to admit that credits and money can be issued, provided some people make profits out of them. Well, I deny this. It is not necessary to have people making profits to create credits. That is why I ask that we be consistent and accept the same principle every time public administration is invovlved and that we give the Bank of Canada the same power we give chartered banks as regards public administration and achievements.

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I would like to say a few words about this private bill. As usual, this private bill is introduced in extraordinary circumstances. I note that the government members are very surprised to see that we, of the Social Credit party, oppose these bills. In my opinion, my two colleagues have just opened the eyes of several members who are put to sleep and wrapped up in cotton-wool by the terrible finance and trusts that we have today.

Today, Mr. Speaker, we would like to create credits for the Canadians, for the municipalities as well as for Canadian organizations. For this reason, we are called stupid. Today, we want Canadian credit to be created, because it is the credit of Canada. We have asked questions to certain people. They invest $20 million. For what? To produce $200 million. At 12 per cent, they get $24 million in interest a year. This is a nice investment, Mr. Speaker. Twenty million which will produce $24 million of interest a year! This is what will be allowed. This is what chartered banks are now allowed to make. If there is a bill that I want to defend tonight, it is this one, because it concerns only credit unions.

I remember that in Quebec, we fought to have a bank charter for our credit unions. The banks refused; it is not the government but the banks which control the government. They rejected us because we needed a bank to function. The west will finally have all its chartered banks and a charter for the operation of its credit unions. I believe the hon. member to be sincere and I do not want to kill this bill. I want the House to have the opportunity to vote on this. But we are accepting this bill only because it concerns credit unions.

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

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

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

[*English*]

Mr. Guay (St. Boniface): Mr. Speaker, I wonder if we could have unanimous consent of the House to send the other bill to the committee so that there will be an opportunity to discuss it very fully. I thought I would ask that in view of the fact that the time is up.

[*Translation*]

Mr. Deputy Speaker: Is the hon. member rising on a point of order?

● (1800)

Mr. Herb Breau (Gloucester): Yes, Mr. Speaker. I discussed the matter with hon. members on all sides of the House and they agreed that though it is six o'clock, Bill S-29 could simply be referred to the committee. It was agreed that if any hon. member wishes to put questions in committee or elsewhere, the officials of the companies concerned would be willing to meet him and answer his questions. I just wish to point out that this bill merely provides for the amalgamation of two companies from the Atlantic provinces into a larger company which could then become more important nationally.

Mr. Deputy Speaker: Is there unanimous consent on the suggestion of the hon. member?

Some hon. Members: No.

Mr. Deputy Speaker: Consent is not unanimous. The time appointed for the consideration of private members' hour having expired, I do now leave the chair until eight o'clock tonight.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT AND CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AUTHORIZATION FOR CMHC TO MAKE INTEREST REDUCTION GRANTS, CASH GRANTS, ETC., TO ENCOURAGE HOUSE CONSTRUCTION

The House resumed consideration of the motion of Mr. Sharp (for the Minister of State for Urban Affairs) that Bill C-77, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. David Orlikow (Winnipeg North): Madam Speaker, when I was speaking this afternoon I was discussing the tremendous power which land developers have been able to accumulate by their purchase of land at very favourable terms to them, land which they keep until there is a demand and which they then sell at a substantial profit to themselves. I am not critical of land developers—they are part of our free enterprise system and they do what they are permitted. I spoke about the situation in Toronto, and now I want to put on the record the situation in my own city in Winnipeg.

According to a study done in Winnipeg, Winnipeg's four major private developers share a land bank among them of 10,000 acres worth about $35 million. BACM Industries Limited emerges as the giant among the four private developers. This company, which is involved in all facets of the house building industry, has assembled a total of $4,000 acres. Ladco Company Limited holds 2,400 acres. Qualico Developments Ltd, has almost 2,200 acres.

Until recently, says the study done by an officer of the Manitoba Housing and Renewal Corporation, these developers had virtual control of the residential land market and had only to contend with each other in buying land. However, competition among these companies was minimal as each would respect the other's right to assemble properties in certain areas of the city. These holdings put the developers in a very favourable position of being able to supply large quantities of land required for future residential development in Winnipeg.

The study goes on to point out that in one case one company was able to assemble a large parcel of land at about $400 an acre. When one realizes that land is now selling for houses in the neighbourhood of $10,000 to $20,000 per lot, even calculating the cost of putting in the services one can see that land developers have done extremely well and, as I indicated earlier, they have been the big winners in the game of getting as much out of the public as possible.

● (2010)

What has been the response of the present minister and former ministers in Liberal governments to the needs of the people? Instead of reducing housing costs to a level which could be afforded by Canadian families, the government is attempting, in the minister's own words, to help them with their cash flow position—in other words give them a monthly subsidy, and perhaps they will be able to afford the exorbitant charges.

There is no doubt that the Assisted Home Ownership Program is popular among moderate income families living outside metropolitan areas where they can find homes within the price limits the government has set in order to qualify for assistance. However, my colleague, the hon. member for Broadview (Mr. Gilbert), said yesderday that the upper limits the government has set are far below the price for which one can buy a home in metropolitan areas of Toronto, Vancouver, or most of the other cities in Canada. Yet what has the government done in pushing its Assisted Home Ownership Program? It has cut back very drastically on the kind of housing which is the most needed in this country, namely, public housing programs.

A former minister of housing in the province of Ontario pointed out that lack of low cost housing is one of Canada's major problems. The minister has said he recognizes this, yet Ottawa this year proposes to spend only 12.5 per cent more on housing than it spent in the last fiscal year. That hardly takes care of inflation, let alone the need. The province and metro Toronto planned to build 8,000 senior citizen units and 2,000 family units in 1975-76, but Ottawa decided that the middle income groups needed the help more, so now Toronto will be lucky if it gets about 2,000 senior citizen units and 500 family units. It is not because the people who can afford to get into AHOP need housing more than the people who should have been accommodated in public housing or in senior citizen housing; it is because they have more political clout, and it is to them the government responds.

Instead of going ahead with more public housing the minister has decided to push the limited dividend housing program and the Assisted Home Ownership Program. This did not meet with the support of Ontario or many of the other provinces because it removed the emphasis from the low income group where the greatest need still exists. AHOP duplicates a program, Home Ownership Made Easy, which Ontario launched long before Ottawa had ever conceived the kind of program we have in AHOP.

What the Ontario government wanted last spring was for the federal government to commit itself to three fundamental principles. The Ontario government wanted the federal government to consult the provinces before setting its housing priorities. I am sure there is not an hon. member of this House who would not agree—particularly if he does not think of how his party, and especially the government party, wants to do things—that the province and the local municipalities know better the needs of their residents than does the bureaucracy in Ottawa, than does that great head of CMHC who made a fortune in building houses, the kind of houses on which he could make a profit, not the kind of houses people really needed.

Surely we should be consulting provincial governments and municipalities more than we have been. The Ontario

government wanted the federal government to give a three year forward commitment on funds, in other words, not to have the kind of roller coaster we have now, where for months on end the provinces wait, do nothing, make no plans, buy no land, do not put in sewer or water connections, and do not put in power lines because they do not know how much they will receive from Ottawa. Then suddenly, particularly near the end of the year, Ottawa realizes it has not spent all the money allocated, and the provinces are flooded with money they cannot use. I will come to that in a moment in respect of my own province of Manitoba.

Finally, the provincial government of Ontario wanted the federal government to give the provinces block funding, with the provinces and the local governments using the funds where they saw the need. Surely that makes a great deal more sense than the unilateral, inconsistent decisions made by the present minister, which seem to have two objectives in mind: first, not what are the needs of the people, but what will get us the votes; second, what the builders and developers want, not what the people who need houses want.

Let me discuss for just a couple of minutes the situation in Manitoba. I wish to do that because, as I have already said, the minister's program is conceived and executed with virtually no consultation with the provinces. The province of Manitoba had been willing and had gone into very extensive public housing and elderly persons' housing programs from 1972 to 1973. In the last couple of years it has done a great deal less, to a large extent because it has had so little co-operation from the federal government.

Early in 1975 the federal government cut back the funds allocated to the province of Manitoba for public housing to around $15 million. The province was willing to use at least $25 million more—and it still is—but it did not hear about it for almost the whole of 1975, and only recently has there been any indication from the federal government that there would be money available. Then, of course, if the money is not used before the fiscal year is over, the province will be blamed for inefficiency and for not being ready to use all the money which is available.

The province should have known early in 1975 how much money Ottawa was prepared to give to it for housing projects in Manitoba. The province is ready to go forward with a number of limited dividend housing projects. These are projects funded under a special CMHC program involving fixed limits on rent charges. At least that is what we have always thought. The federal government is supposedly particularly interested in the limited dividend program, and the province of Manitoba is willing to co-operate, although it has some concern about certain aspects of the program, including the possibility that the rental charges for some units may be too high.

The government said, before the most recent announcement in the last few days, that indeed the rental charges in some limited dividend housing projects are to be increased by as much as 30 per cent, and I hope to have a few minutes to talk about that. The province of Manitoba wanted to secure an agreement with Ottawa that if limited dividend housing were constructed by the Manitoba Housing and Renewal Corporation, federal rent regulations would be flexible enough to ensure that those who really need accommodation would not be excluded because they could not afford to pay the prescribed standard rent.

Some Manitoba senior citizens houses were erected by non profit organizations such as the Legion, Kiwanis, and many other organizations which deserve a great deal of credit for the efforts they made. They are now finding it difficult to keep their tenants because there is no program for subsidizing rents for people who are, in the main, old age pensioners and those who are living on very limited incomes. The province of Manitoba has indicated to the tenants and to the federal government that it is prepared jointly to subsidize the rents of those who cannot afford the full rent. As far as I know, until recently the federal government refused to co-operate in that kind of subsidization.

● (2020)

The province of Manitoba is arguing very strongly for the development of a medium term federal housing investment plan designed to ensure, as the province of Ontario was arguing, that adequate funds would be committed to housing for at least the next five years. The province argued that the demand for housing across Canada would remain unfilled even if there were 250,000 starts each year until 1980. They realized that a rational plan was needed to meet this demand, a plan which would recognize that adequate housing is a necessity of life and a legitimate right of every Canadian. Housing investment should be planned in that light and not manipulated as a tool of fiscal policy where the tap gets turned off or turned on, depending on national economic conditions.

When I was speaking earlier I was chastized by members on the other side because I suggested the minister's goal of over 200,000 housing starts would not be met this year. I suppose the interjections were based on the fact that in the last couple of months there has been a sharp increase in the number of starts each month. The figures were published today for the first eleven months of 1975 and, according to CMHC, there were 162,500 housing starts. Madam Speaker, there is no way that we are going to get another 37,500 units started in December, so in fact we are not going to get the 200,000 units the minister promised, let alone the 250,000 that the province of Manitoba has suggested we need.

I know that the minister and members opposite will say that in arguing that we ought to be pressing ahead with public housing, instead of the kind of Mickey Mouse programs of assisted ownership the minister has been pushing, we are being partisan, and so on. In this respect I should like to quote from a statement made by the Canadian Council on Social Development as reported in the *Globe and Mail* of November 13, 1975, as follows:

> Low income people have been getting a declining portion of federal housing aid in recent years, says Jeffrey Patterson, housing program director for the Canadian Council on Social Development.

Later the article reads:

> CMHC figures show that the share of the corporation's capital budget going to public housing rose to 37.4 per cent in 1972 from 24.3 per cent in 1970.

The minister who was in charge of housing in 1972 deserves commendation, particularly when we find that in 1974 the proportion is not the 24.3 per cent it was in 1970,

and is not the 37.4 per cent it was in 1972, but has dropped dramatically to 19.2 per cent. The article continues:

> This program, which provides interest-reducing payments to builders of low-cost and moderate-cost housing, mainly helps moderate income earners, Mr. Patterson said. "To some extent AHOP does benefit low income people. But where it does so, it is primarily because of additional provincial assistance."
>
> In Saskatchewan, for example, 61.3 per cent of those benefitting from AHOP assistance in 1974 had annual incomes of up to $7,999. That province adds money to aid supplied by the federal government.
>
> But in Ontario and British Columbia, where there is no additional provincial money for AHOP home buyers, only 8 per cent were in this income bracket.
>
> Nationally, 19.1 per cent were in this income range in 1974.

I think that demonstrates clearly that the federal government and the minister have opted out of helping those people who need help most.

Let me take a couple of minutes to deal with a question which has arisen in the last couple of days, and that is the substantial increases in rent that seem to be in sight for those people who supposedly have been the concern of the present and former Liberal governments, and for whom limited dividend housing programs were designed. Some tenants faced with very sharp increases in rent met the minister last Saturday and presented their case. They had been told they were going to have increases of between 20 per cent and 30 per cent in rent. They insisted that the developers who own the property and built it under very favourable lending rates of interest from the federal government and Central Mortgage and Housing, now claim that their costs have increased so sharply that they need to increase rents 20 per cent to 30 per cent.

The tenants are saying they have no confidence in the landlords and they have no confidence in Central Mortgage and Housing. They told the minister that they want the right to inspect the books of Central Mortgage and Housing so that they can be sure costs have gone up. I can understand their feelings because Central Mortgage and Housing has never given anybody but the builders that they represent any information, not the ordinary people who are in difficutly—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member's time has now expired.

Mr. Frank Maine (Wellington): Madam Speaker, one of the major results of the period of inflation we have experienced in the past few years has been skyrocketing prices for housing, whether owned or rented, and an acute shortage, in many areas, of suitable accommodation. The bill we are presently debating aims at alleviating both these problems. It also will have some other very beneficial side effects.

Until now those people who already owned their own homes were in a position immensely more favourable than that of, for instance, young couples attempting to save to buy a house while being faced with rapidly escalating rental payments. This new program will help to reduce the artificially inflationary effect which results from home owners trading up to more expensive homes while already in possession of considerable equity in their present dwellings.

It is widely accepted that a family should spend no more than 25 per cent of its income on housing, but a very significant proportion of Canadians find it impossible to remain within that guideline while still providing their families with decent homes. In order to keep their payments under that 25 per cent level, families with children and in need of assistance will be eligible for annual grants of up to $750. In other cases, interest-free loans will be available for at least five years in order to close the gap between present mortgage interest rates and an 8 per cent mortgage. In other words, all Canadians who wish to purchase moderately priced housing will be assured that their monthly payments will be equal to those on an 8 per cent mortgage.

● (2030)

One of the more significant measures in the bill which will have a beneficial effect in my riding and, specifically in the city of Guelph, is the $1,000 per unit grants to be made available to municipalities approving the construction of medium density homes falling within regional AHOP and assisted rental price limits, and the provision of further assistance for sewer and water treatment facilities.

The city of Guelph presently has a lot levy of up to $1,500 per lot unit, a levy significantly higher than those in other cities in the area. For that reason there has been a serious shortage of housing available in Guelph which falls under the limit for assistance from the Assisted Home Ownership Program. With that $1,000 grant and, hopefully, a higher qualifying price for units purchased in Guelph, which is presently being reviewed, I am hopeful and reassured that the housing situation in my constituency will soon improve markedly. I am also confident that the increase in loans to builders providing rental accommodation at rents controlled by CMHC will bring about significant improvements.

I was happy to learn today that approval was given for the construction of 101 apartment units in Guelph under this program. It is a virtual certainty that had the Minister of State for Urban Affairs (Mr. Danson) not taken the steps to make improvements in this area which he did, those apartment units would not have been started.

Wellington riding has benefited recently from a $1,112,-027 loan and a grant of $676,523 from CMHC to provide for the construction of sanitary sewers, a pumping station, and a sewage treatment plant in the village of Rockwood. This type of action is illustrative of the progressive policies enacted by the Ministry of State for Urban Affairs.

It is well known that a healthy construction industry contributes greatly to the over-all strength of our economy. This new housing action program will inject an additional three quarters of a billion dollars into housing in Canada in 1976. Our economy has been waiting for several years for this type of monetary infusion. Of immediate impact will be the creation of an estimated 32,000 jobs next year in the construction industry alone. However, of potentially greater benefit to the economy will be the stimulus to our manufacturing industries as production of construction and home furnishing materials increases. Present indications are that our national economic picture is brightening as the world situation also improves. This new and increased activity in the construction and manufacturing

industries will help to restore confidence in the economy and make certain that productivity in the country generally improves as we pull out of the present situation.

The new housing program forms an important part of the government's attack on inflation. Canadians will have more housing available of good quality, at a price they can afford. This action will do much to answer critics' statements that the wage and price controls will bring about a decrease in economic growth. On the contrary, we can expect to see inflation brought under control and, at the same time, productivity stimulated by a healthy housing market and construction activity.

By this program the federal government is committed to encouraging the production of one million new housing units during the next four years. Certainly this figure will be and has been attacked by skeptics as an impossible goal but, as the parliamentary Secretary to the Minister of State for Urban Affairs (Mr. Gauthier (Ottawa-Vanier)) pointed out yesterday in the House, we are already assured of achieving our target of 210,000 housing starts in 1975. This program is what the Canadian people need and what they have been asking for. Housing has been mentioned as a problem in every election held recently, both federal and provincial. The minister is to be praised for providing this program to Canadians and deserves the full support of this House in seeing it becomes implemented immediately.

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, three years ago I was elected to this chamber, and the passage of each year has been marked by the various housing programs the government has brought forward. It seems that every year a new housing program is brought forward, which will do great things.

Mr. Orlikow: It is done several times a year.

Mr. Clarke (Vancouver Quadra): It's done several times a year, as my hon. friend to my left says.

This evening I want to refer to some remarks the hon. member for Kingston and the Islands (Miss MacDonald) made one month ago, when replying to the statement of the Minister of State for Urban Affairs (Mr. Danson). She expressed the views of this party when she said that we welcome any government initiative to stimulate the residential construction industry, particularly in view of the fact that moves taken by the government in the past 18 months have largely been responsible for the depression experienced by this very important sector of the economy.

She then went on to say that she found several basic shortcomings in the minister's program. She said that, first, the measures will not stimulate the provision of the amount of mortgage funding required even to supply the new housing mentioned by the minister. Second, there was nothing in the statement to deal with the major problem presented by high interest rates. I will deal with this later. Finally, she said the program failed to deal with the necessity for continuity in housing policy. She suggested that there is scarcely any reference made to co-operation with the provinces, and she ended saying there was nothing original about the proposed measures. I agree with my colleague from Kingston and the Islands.

The housing shortage largely is a matter of geography. I tell the House that in many places in Canada there is no shortage of housing. The opposite is true. For example, in Squamish, British Columbia, not far from Vancouver, there is a surfeit of housing, all kinds of housing, single family, rental housing—you name it. The reason is that tenants are mobile and can move. If a tenant's job ends, he can simply move. But you cannot pick up housing and move it. Housing is put in place for a long time and serves over the long haul. It stays where it is built—unless you happen to meet a house on a trailer coming down the highway the other way.

There is surplus housing in places other than Squamish. Recently, in the Public Accounts Committee, in these very parliament buildings, we examined the question of housing in Gimli, Manitoba. There is a surplus of housing in the town, and the Department of National Defence was paying for this surplus housing. The people in Gimli, Manitoba, who faced a housing shortage on the private market, tried to talk the government into sharing the expense for housing. The housing was being wasted, and the government was paying for empty housing. But would the government say, yes, we will let the people of Gimli, Manitoba, share the cost, rent this housing and thereby ease the burden on the taxpayers of Canada?

An hon. Member: No way!

Mr. Clarke (Vancouver Quadra): No way, Madam Speaker. Those housing units stayed empty for I do not know how many years, to the cost of the taxpayers of this country.

We often hear talk of the housing shortage, and of the government's countless plans to combat it. Anyone who considers the housing situation must realize that there is no housing shortage; there is a money shortage. That is what is wrong. If you have money, you can find housing—you can buy or rent any sort of house pretty nearly anywhere you want. If you have no money, or not enough, then you are out in the cold. I will be showing as these remarks drag on—

● (2040)

Mr. Knowles (Winnipeg North Centre): Drag on?

Some hon. Members: Oh, oh!

Mr. Clarke (Vancouver Quadra): My friends concede that my remarks will not drag. I hope to be able to demonstrate that the government has been the cause of the shortage of money and the high cost of housing in this country. I have to go back. It is nearly three years ago that I first spoke of housing in this House.

Mr. Broadbent: And nothing has changed.

Mr. Clarke (Vancouver Quadra): That is right. At that time I made a statement which caused a lot of mirth on the government side. I advocated that if the government got out of the housing business, the housing industry would provide the housing required by Canadians. They laughed. It is now three years later. How many plans have they put forward? As my friends to my left say, nothing has changed.

I wish to read a sentence or two from what I said on March 22, 1973, in this very chamber. I quote:

> I am going to argue that federal housing policies, current or proposed, do more harm than good, and that the best thing the federal govern-

ment could do to help us Canadians with our housing problems would be to leave us alone.

Perhaps I should have suggested they resign.

Disband the bureaucracies, cut taxes, and let us solve our own problems, with the interference of our local or provincial governments it we choose, but without federal interference, without federal bureaucrats taking our money from us in taxes and spending it as they want it spent rather than as we want it spent.

Later in the speech I said this, and I think it still applies:

If it is really our desire to raise the material standard of living of poor people, rather than push them around and run their lives, then we should abandon the government policies that impoverish them. In place of the present mess of welfare schemes and housing schemes, we should give the poor people the cash presently spent on these things and let the poor people spend the cash in the ways that give them the greatest satisfaction. To build our preferred type of housing for the poor people and to hire thousands of bureaucrats to oversee them in these ghettos is wasteful.

That last word describes practically all of the housing proposals of the government. The government continually seems to forget another quote from my speech.

—the state is the great fiction by which everyone tries to live at the expense of everyone else;—

I do not know where it thinks it gets the money to buy houses for people it thinks should have the kind of housing it wants to give them.

—government . . . can destroy but not create, can build nothing of itself but can seize only what others have created;

The only resources at the disposal of the government are our resources. That is a lesson that the government seems to have missed all the way along the line.

Earlier this year there was another attempt by the government to solve the housing problems as it saw them. I do not like to quote myself, but I cannot think of anyone else who says it as well. In the debate on Bill C-46 I said this:

Bill C-46 is another example of the band-aid legislation which has become this government's standard attempt to solve serious national problems.

I have been finding some support for some of these ideas I have been giving to the government because it needs them. In that same speech in January of this year I quoted from an editorial in the Vancouver *Province*. It read:

—our housing difficulties, particularly in the rental field, compose a classic case of problem creation by government.

It continued:

We did not begin to experience real rental shortages in this country until the federal government removed the tax incentives that channelled a lot of private money into rental accommodation.

There are a few rental dwelling units available in this country, but one might be moved to ask why there are so few. The hon. member for Edmonton West (Mr. Lambert) this week asked a question of the Minister of State for Urban Affairs (Mr. Danson). He invited him to go to Edmonton to explain to the people there why apartments are not being built. He also asked him to visit other centres to give the same explanation. I was astounded at the minister's answer. I of course knew the answer, but I did not think he did. Once he had given the answer, I could not understand how he could carry on with the policies he is proposing. This is what the minister said on Monday of this week, December 1, as recorded at page 9577 of *Hansard*. I quote:

The reason that apartments are not being built, or starts are down so substantially, is that they cannot be built at today's costs and rent levels without showing a significant loss.

That is what the minister said. He went on to explain how they are planning to overcome the shortage by lending taxpayers' money to other taxpayers so that they will be able to pay less so that somebody will be able to build an apartment at less than market cost and rent it at less than market rent. Any logic that can be had out of that completely escapes me.

My friends to the left think that landlords should be benevolent characters who invest their money in losing propositions. I do not believe that even this government thinks that should be the case. When the minister admits to this House and the country that rental units cannot be built today on a viable economic basis, I say it is time to reassess the basic problems. There is no point putting up these various programs every few months to try to make some band-aid solution work.

When I am asked why there is a shortage of housing in Canada today, I say it is the government's fault. It is not only this government, but it helps. Governments at all levels have to take their responsibility.

I have said this before, but I think it bears repeating. Twenty years ago a builder or homeowner in this country could build a detached house on a single lot with a septic tank, no sewer, on a dirt road with storm ditches. There would be no street lights. Electricity and water, of course, were necessary. As the years went by, the homeowners who were able to get in at a relatively low price were able to put these improvements in their neighbourhoods at a relatively low cost. Because municipal financing was being used, the costs were lower. They were spread over 20 years, or whatever, in the form of local improvement taxes.

● (2050)

The municipal governments then decided they did not want to take all the flak for having high taxes and putting all these services in afterwards, so they found they could convince the developers that all of these wonderful improvements like paved roads, curbs, street lighting, underground wiring, storm and sanitary sewers should be put in by the developers. This solved the problem of the municipal governments whose tax burden was relieved, and before a developer could get approval for a subdivision he had to undertake to put in these services. But who ended up paying for them, Madam Speaker? It was, of course, the purchaser. The developer did not have sufficient credit rating or ability to spread the payments over 20 years, as the municipalities did, so right away the purchaser had to pay, on top of all the other purchase costs, the cost of services.

I should like to say something about rent control, which of course is a provincial matter. I have some information here to which I should like to refer. It is from an article in the *Globe and Mail* last August, before the federal government freeze was brought in, urging that rent control be instituted by the provincial governments. One observation with which I wholly agree is this:

Rents, like other prices, go up because costs go up. There is no magic umbrella to shelter property owners from inflation. If mill rates rise, if fuel prices rise, if the costs of materials, appliances, mortgages, hydro, water and wages all rise as well, how can the rent that is made up of those things stay the same?

Then the writer asks:

> How long would the activists, or indeed the tenants themselves, sit still for controls on their own wages and salaries?

He must have known about the policies of this party in 1974, because he then writes:

> They gave the answer to that in the 1974 federal election.

It seems there have been a few changes in ideas. In British Columbia we have rent control. Last year the ceiling was realistically set, I suppose, at 10.6 per cent. At least, all the evidence given to the B.C. government indicated that it was not realistic for rents to rise above 10.6 per cent. In British Columbia, until next week in any event, they have a people's government.

Mr. Nystrom: And after next week.

Mr. Clarke (Vancouver Quadra): My hon. friend to the left thinks that there will not be change of government in B.C. One member on the benches across distinctly said today that the next premier would be a fellow named Gibson, but I suppose we will have to wait and see. Naturally there are more tenants than landlords in this country, and tenants are voters, and it is by this that some politicians measure their success. Fortunately, in this party we do not have that problem; we measure our success in principles.

The government of British Columbia has now decided that 10.6 per cent is not a realistic level of rent control and that the new rate for 1976 will be 8 per cent. So there is a change in the rules for 1976. The provincial landlord and tenant act in that province applied only to residential buildings renting at $500 a month or less. It did not take the government of British Columbia more than two years to figure out that if rents of residential buildings were controlled, then capital investors would not seek to build housing but would seek to invest in commercial real estate. Therefore this month the government of British Columbia decided that rent control would also apply to business premises, which will at least mean that businessmen will have as hard a time finding a place to rent as the home tenant.

I think we could find a few faults at the federal government level too, Madam Speaker. Federal action has discouraged, if not prevented, the provision of housing by the private sector. I mentioned earlier removal of the tax incentives for rental housing. There was a time in this country when certain people were encouraged for certain reasons to invest in rental housing, and they did a pretty good job of it. Now the federal government has decided that they were given an unfair advantage, as it saw it, and it has now removed it. As usual, it did not follow through on the result of its action and did not realize it would cut down on the investment in, and creation of, rental units for Canadians.

I lay the blame for general inflation in this country directly on the present government. I think to some degree the government accepts that blame, as evidenced by the introduction this fall of Bill C-73, recently passed by this House.

Much has been said about interest rates. Several hon. members have spoken about the high interest rates that Canadians are forced to pay. I simply ask, what has the government done except to force anyone with money to invest to seek a high interest rate? Statistics Canada tells us that the rate of inflation is ten point something. Or maybe it is 11 or 12; I sometimes lose track of exactly what it is, but in any event it is substantially in excess of 10 per cent. It should be obvious that with the incidence of income tax and the need to keep ahead of the rate of inflation, interest rates cannot possibly be below 12, 13, or 14 per cent.

There were times in this country when there was what some people would call a realistic interest rate, and this was when there was virtually no inflation. I have reminded the House of this before but I think it is worth repeating. In 1936 the Government of Canada issued perpetual bonds bearing a coupon rate of 3 per cent. It was able to sell an adequate supply of these bonds. In those days inflation was zero, and 3 per cent was what a government bond was thought to be worth in the minds of investors. Nowadays, in order to keep ahead of inflation and to pay all the taxes, investors must demand what seems a huge rate of interest.

Another recent move on the part of the government which everyone voted for and thought was a good deal was the Registered Home Ownership Savings Plan, announced in the last budget. This plan is supposed to encourage Canadians to save up to buy a house. I am sure it will, but it will not do anything for the housing market. Although the idea is to encourage people to buy houses, people are given an incentive not to buy a house because they can save money tax free for ten years. You then withdraw the money and buy the house. Once more displaying insufficient foresight, the government has seemed to overlook the fact that you did not need to use the money for buying a house. The only requirement to qualify for this gift of income tax exemption up to $1,000 a year is that you do not own a house.

● (2100)

If you happened to have a house in the family in the name of one partner or the other, then the spouse was perfectly entitled under this law to save the money under the Registered Home Ownership Savings Plan for ten years, tax free, and then go out and buy $10,000 worth of furniture, if that was the inclination of the couple, and put that furniture in the house of the spouse. This is hardly any way to create any kind of incentive for house purchasing, but I am sure the furniture industry thought the government was being very kind.

Of course, if they did not like the thought of having to pay tax in the normal way after the ten years were up they could transfer the house back into the other spouse's name and go through the exercise all over again.

In this capital region there is an area that I saw when I first came here of vacant land, close to the Hill. It is still vacant land. I believe it is called LeBreton Flats. I understand that in the good old days, not so very long ago, LeBreton Flats contained a lot of what I think is called filtered down housing. There is a better expression but I have just forgotten it for the moment. This was older housing suitable for lower income people. The government decided this was not suitable housing in its view for the people who wanted to live there—and we must keep in mind that the people were living there by their own choice. The government tore them all down thinking that would

make everybody happy. Then, of course, it could spend more of the taxpayers' dollars building it all up again.

There are other examples of government interference in other countries, and I should like to give one or two of them. I think it is worthwhile looking abroad sometimes, because we tend to think these problems are only Canadian and locked into Canada.

A letter was sent by some Torontonians now living in London, England. These were not just ordinary people. One was working in a housing agency in London, and another was a graduate student in planning cities from the London School of Economics. They were not the average type of person. Their observations on the housing situation in London are interesting. They report that owner-occupancy and council rental housing have increased substantially, not only in absolute figures but in ratio to the housing stock. They go on to explain that this was not the result of market forces alone, but occurred by government design. Obviously, certain types of housing can be increased by government design. This does not mean this is the type of housing wanted or needed by the people who will be living in the houses. This letter goes on to explain about the enormous number of vacancies there are in London today.

Another debate which took place earlier this year in this House, in May, gave us another predictable series of responses. One of the hon. members in the party to my left felt the government should enter the construction business because owning a house is not a privilege but a social right. That was the hon. member for Sault Ste. Marie (Mr. Symes). He was not supported by one of the government members who said it would be a dream to believe that all Canadians could own houses. I think predictably my colleagues during that debate remarked about the patch the government was putting on a sinking ship. Of course my colleague, the hon. member for Kingston and the Islands, indicated that the same minister was not really saying the truth when he suggested we were going to have 210,000 housing units in 1975, and that in reality it would be considerably less than that.

If I can go back to the control aspect of housing, I am reminded in Vancouver that recently a real estate firm that had for many years provided housing units for the people in Vancouver announced it was going out of the rental housing market because renting no longer makes a satisfactory profit. Of course my friends to the left think that all these real estate people are making fortunes. The fact that this company is taking this step should not come as any surprise to anyone in this House if he was listening to the Minister of State for Urban Affairs on Monday when he stated this was the reason for the lack of building in this country today.

Having regard to who owns housing in this country, let me say that the Rental Housing Council of British Columbia observed recently that less than 20 per cent of all rental suites have what they call big owners. The vast majority of people in this housing are small investors who are investing their retirement funds. Even if the biggest companies owned a lot of the rental real estate units, these companies consist mainly of the very working people my friends to the left seem to support.

Other statistics show that in 1969, 1970, and 1971, before the federal tax changes, applications for multiple housing in greater Vancouver averaged 8,400 per year. New rentals outnumbered new condominiums seven to one. By 1972 and 1973, after the federal government had removed the tax shelter incentive for certain investors, the applications were down to 7,000 per year, with rental units only outnumbering condominiums by three to two.

Then we got into rent controls in British Columbia, and the annual rate of multiple applications is still healthy, being 6,200, but new condominiums outnumber rental units by six to one. That is, there is one rental unit for every six condominium units now. The only rental units now being built are subsidized public housing and some private luxury units. Private rental units are no longer being built and no longer being planned, and rent controls are the prime reason.

You may say I am dwelling unnecessarily on rental housing, but I would ask you to examine the effects of a shortage of rental housing. If someone cannot rent an appartment he thinks would be suitable for him to live in he has to go and buy a house. He may buy a condominium or a detached house. There is tremendous pressure being placed upon the housing market in every area as a result.

In Vancouver the city council was finally moved to take action to prevent the conversion of rental housing units to condominiums. Many landlords found they were being hopelessly squeezed by costs and rental control, and the only way out for them was to convert these buildings from rental units to condominium units, sell them, get their money out and go on to something else. If that had been allowed to continue the pressure on rental housing would have been even greater. I do not admire the intrusion by the city council into the housing market.

All levels of government are guilty of allowing an antiquated building code to add substantially to the cost of housing. There is no excuse for any kind of code today that requires the same kind of building in Vancouver as, let us say, in the glorious climate of Ottawa. That is the way it is at the moment. This can do nothing but add to the costs the people must bear. I have one or two other references.

● (2110)

Just six weeks ago the housing industry at a meeting in Toronto anticipated that inflation in construction costs is the primary reason for the jump in housing costs, and said that runaway labour costs continue to be the main culprit. They apparently did not see much help from the government's Bill C-73 which already had been announced by the Prime Minister (Mr. Trudeau) at that time. The industry did not foresee any significant increase in new construction to ease the critical shortage of accommodation in many urban centres. They submit that the threat of rental controls in one form or another is a contributing factor to a lack of construction activity. I think it is obvious that Bill C-73 has been used by the federal government to encourage provincial governments to become involved in rent controls.

There is a newly formed outfit in Vancouver called the Fraser Institute. It is a new Canadian research institute meant to give competition to government sponsored research. It was created to re-direct attention to competi-

tive markets as the mechanism for providing for the well being of Canadians. That institute has as one of its first projects a study of rent controls. Their observation is that in the first year of rent controls in British Columbia in 1974 rents in Vancouver inflated at a rate of 75 per cent faster than rents in Toronto. They go on to say that statistics for the previous ten years indicated that until that time the two cities had experienced similar rates of rent inflation.

On the basis of statistics for the first five months of 1975 rents in Vancouver were 11 per cent above the 1974 level, but in Toronto where there are no controls they were only 7 per cent above the 1974 level. It is interesting to observe that in British Columbia the 10.6 per cent or 8 per cent control maximum is now considered to be the main reason why a landlord cannot adjust these rents according to the market. His costs increase because of the controls so he is virtually forced to increase his rents to the limit every time he is allowed to do so, which is once a year. The Fraser Institute observed that rent controls act as a disincentive in respect of the availability of housing units, and that only new construction and redistribution of existing housing could solve the shortage.

I think I am running short of time, Mr. Speaker. I hope that by my remarks I have illustrated some of the basic problems the government faces in trying to overcome the problems, and that the ideas that are being put forth are nothing more than stop-gap measures. We on this side of the House will support this bill because we believe the poor homeowners need every break which we think they might get. We think the government should give the power to the local levels of government so that they could free the people of Canada from the structures of the federal government's interference in the housing market. We have heard the statement that the state should keep out of the bedrooms of the nation. I should like to extend that by saying that the state should keep out of the living rooms of the nation.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to commend the hon. member for Vancouver Quadra (Mr. Clarke) for his contribution. I find myself in a dilemma. I do not feel I can criticize the bill very much because it indeed is an attempt to stimulate housing starts in Canada. Another dilemma I find myself in is that the Minister of State for Urban Affairs (Mr. Danson) is to visit my district on Monday next and I hope he will be making some profound announcements about an increase in the amount of funds allocated to the province of Newfoundland, because indeed the housing crisis there is probably as bad or worse than it is in any other section of Canada.

I must say the government has indicated in respect of Bill C-73 that some new efforts are being made to stimulate housing stocks in Canada. While we all agree that in most cases the bill is directed toward this end, there are still some major shortcomings which affect a great majority of our population. The people I am talking about are the many millions of our citizens who are on low and fixed incomes.

In addition to attempting to provide themselves with decent accommodation they are experiencing difficulty even in keeping themselves fed. True, it is obvious that some effort is being directed toward relieving the public housing stocks, but I do not think there is enough awareness of the emergency that exists in respect of providing shelter and accommodation to the poor and needy.

The latest poverty line figures I have been able to find show that a single Canadian must have $210 per month in order to exist. In this regard I point out two examples to show the discrepancy which exists when we expect all Canadians to be able to provide themselves with shelter or accommodation. For example, the War Veterans Allowance recipient at the single basic rate receives only $207.12 per month. On a means test basis he can have that amount supplemented to bring it to $247.12 which is only $30 above the poverty line figure. I should like to ask the minister or the parliamentary secretary how this citizen after he pays his utility costs, when the price of electricity and heating fuel is increasing beyond control, can afford even to think about accommodation or how much interest he has to pay when he cannot even look after his basic needs.

What about the senior citizen living alone who must exist on the princely sum of $219.96 per month, which is just $10 above the poverty line figure? I mention these cases because I am bitterly disappointed there is no mention of the expansion of what I feel is a most important program. I know the people from CMHC in the gallery and others on the other side will know what I am talking about.

I am talking about the residential rehabilitation program. I have said dozens of times, and repeat in this House that this is a program which could relieve the pressures on our housing needs and at the same time allow these citizens to maintain their present homes, which many thousands own, but which they cannot maintain because they cannot afford to do so. This rehabilitation program, as everyone is aware, is designed to help individuals earning between $6,000 and $11,000 to repair housing structures and upgrade plumbing, electrical and heating systems, if such repairs can ensure a further useful life of the property for another 15 years.

I can only repeat that this is a most worthwhile program that can help hundreds of thousands of Canadians bring their homes up to a reasonable standard of appearance. More important, by the installation of proper heating and electrical systems to ensure safety there would be a reduction in the unfortunate loss of lives and property through faulty construction or faulty wiring, and so on.

● (2120)

The figures are there to prove the need for such a program because Statistics Canada shows that there are over one million homes heated by a stove or a space heater, homes which do not have proper heating systems. At the same time—I was not able to get the figures in this case—it is reasonable to conclude that a like number of homes are without proper wiring, electricity or insulation. Many of these homes are in the rural parts of Canada, many are old and deteriorating because a good proportion of the needy citizens live in their own homes, or homes that have been passed on to them.

I thought that in view of the many times that I have spoken on the subject I had convinced the minister that a concerted thrust should be made on a priority basis to

expand those funds to allow for a massive insulation program under residential rehabilitation for people on low incomes, not only to help them conserve home heating fuels but to allow the government to cut down their own use in accordance with their program of conservation of energy. I must repeat that many citizens who are in this predicament who own their own homes are on welfare, and as a result provinces must increase the amount paid to recipients for heating fuel in the winter months for 50 per cent of which the federal government must pay. So it is obvious that the saving for both the government and the public would make this program worth while.

The minister himself when he spoke in June of 1975 to the Canadian Federation of Mayors and Municipalities, stated the following:

> Fortunately, I believe it is now well understood that NIP is meant to assist in the development and implementation of a comprehensive plan which will fulfill a wide range of physical, social and recreational needs within the neighbourhood. It is not a hit-and-run, paint-and-patch proposition. CMHC now insists that the NIP investment in a neighbourhood should not be less than $100 per capita ... Closely associated with NIP is the Residential Rehabilitation Assistance Program. Its purpose is to help restore run-down houses to acceptable standards of health and safety and to extend their useful life by another 15 years or so. The federal government will lend up to $5,000 for this purpose, at favourable rates, and the first $2,500 of the loan is forgiveable, depending on income. RRAP is available in NIP areas, for non-profit housing projects, wherever they may be, and in areas specially designed by federal-provincial agreement.

The minister indicated this himself in June, and the program has been in existence for almost two and half or three years. I wonder why the people in CMHC do not realize that more houses could be made available by bringing these homes up to a decent standard which would relieve the pressure on those people who can afford to buy a house.

In another study the following was stated:

> Rehabilitating older housing is another area that has not been pursued to any great degree. Since a major part of our housing problem is one of cost, rehabilitating older housing would be cheaper than tearing them down and building again. This was recommended in the Dennis and Fish study on low income housing in Canada.
>
> "Even in areas of high growth, the expense of tearing down existing units and rebuilding is out of all proportion to the cost of rehabilitation.
>
> We therefore recommend a large scale rehabilitation program, to bring as much existing housing as possible to a state where the structural and building systems perform adequately."
>
> There are provisions under the National Housing Act for federal financing (loans and grants) of rehabilitation projects. To date, however, little widespread use has been made of the program. This is due to a slowness in communication between Ottawa, the provinces and the cities in defining program needs. If more use could be made of a rehabilitation program and older, rehabilitated homes kept in the housing stock, it could help to depress spiralling house prices.

Everything points to the advantages of such a program and I am sure, from experience in my own province of Newfoundland, that this is a reflection of conditions in many parts of Canada. I can only hope that the minister will take a harder look at this program and will allocate funding to correct this obvious inequity in our housing programs. I hope that when he concludes this debate he will be able to advise me on the stage of negotiations with the province of Newfoundland on RRAP which they presented to the minister some time ago.

I spoke about the Dennis and Fish report on low income housing. It is also obvious that the Council of Rural Development has made some strong recommendation to the minister on the need to bring existing homes up to a more acceptable level. I realize that the provinces have their problems in designating areas that would qualify under the program, and that municipalities also have their problems when they have to set down occupancy standards, but I wonder why, in our effort to get rid of red tape, we do not take advantage of another program in existence called the Home Improvement Loans Program to expand and introduce forgiveness factors into home improvement loans and to allow any Canadian, regardless of where he lives in Canada, to apply directly to CMHC and to take advantage of this excellent program which, as I indicated many times, can relieve the need for low cost housing in Canada.

There are certain aspects of the program contained in the bill which I feel would be beneficial, and one of the most important ones is the provision of loans for water and sewerage projects. I feel this is long overdue and I compliment the minister and his staff for introducing such a program. It should be obvious that the most important public service required in many thousands of communities across Canada, and particularly in smaller rural areas, is the provision of water and sewerage systems, not only for the comfort it provides but from the point of view of sanitation and health reasons for our citizens and their children.

I am pleased to note that under the Assisted home ownership provision the restriction against one or more children is removed. This, I feel, will benefit many young couples who feel they want to have a house before raising a family. I am sure that no one can quarrel with that right for these young Canadians. However, I am disappointed that the minister has not seen fit to allow benefits under AHOP for the purchase of existing homes, particularly because many older homes could be rehabilitated, thus relieving the pressures on increasing housing starts.

It is obvious that many older citizens whose families have moved away would like to sell their homes and move to an apartment or find a mobile home or smaller house. I hope that the minister will consider this fact before the bill goes to committee, and will introduce appropriate amendments at that stage.

Since AHOP is now related to the special housing assistance for veterans, I feel I am justified in mentioning some points in this program which replace the Veterans Land Act. I was most distressed to learn that as a result of questions I placed on the order paper only two applications were received under the provision for non-profit rental to provide rental housing not exclusively for veterans but for veterans and for senior citizens. But it is more distressing to note, in the answers I received, that the sum of only $50,000 has been allotted to the entire special housing assistance program for veterans. To my mind that is downright ridiculous.

● (2130)

The other answer, indicating that only 50 applications have been received under AHOP, confirms to me that there is a lack of communication between the Department of Veterans Affairs, Urban Affairs, and the veterans who can qualify. While no doubt the Minister of Veterans Affairs

(Mr. MacDonald), if he was here, would quarrel with my assumption, in the several contacts I have had with veterans' organizations over the past months since the program was announced, it was amazing to me what little knowledge there was of the special housing assistance for veterans, which the minister and the government expounded with all the fanfares they thought were required.

An example of the weakness in the special housing assistance program for veterans was brought to my attention today. I received a call from a veteran who wanted to purchase an existing home which is available under the program. One of the answers he received from the people I suggested he call was that he was too old. This gentlemen is a second world war veteran of 60 years of age. That is hard for me to believe, and I dare not mention some of the other answers which were given to him. It seems glaringly obvious that there is not too much sincerity in the government's application of this program in the provision of only $50,000, and when a veteran aged 60 is told that he is too old to qualify. The minister, a veteran himself, should investigate the lack of progress under this special housing assistance program to determine and to improve any weaknesses which evidently exist.

Returning for a moment to the residential rehabilitation program, I feel that I should bring to the attention of the minister a survey of the conditions of veterans' homes, which was carried out by the Newfoundland command of the Royal Canadian Legion, a survey which could set an exemple to relate the need for a more comprehensive effort on the part of the government to expand this program. The minister has this study before him, as does the Minister of Veterans Affairs, and I recommend that the experts in both departments use the report as an example of the need for the rehabilitation of homes, not only for veterans, but for all Canadian citizens who are needy.

I am sure many of my colleagues have dealt with the other clauses of the bill and have pointed out the difficulties which are evident and of which note should be taken. I know it is easy to criticize any government program, and it is not my intention to criticize for the sake of criticism, but only to point out in a constructive way how the bill might be improved.

In this regard I hope I can rely on the latest newsletter of the Housing and Urban Development Association of Canada, which is known as the watchdog of the housing situation. I sincerely hope that their comment that "although inflation continues to be Canada's greatest concern, housing in 1976 appears headed for a better year" proves true. I am also heartened by their comment on housing in the Atlantic region. They indicate that in the province of Newfoundland housing starts are now up 6.5 per cent after being down by 5 per cent in previous years. They also indicate that in other provinces in the Atlantic region housing starts are up. However, even with this increase, I have to say that there is a lot of catching up to do in my province, and I hope the minister will realize the many needs of my province in regard to housing.

As I indicated, many of my colleagues have brought to the attention of the minister and his staff the many shortcomings in the bill. I wanted to deal with the two important points which I feel affect needy and low income earners in Canada. I hope the minister will take cognizance of the comments I have made, and hopefully before the bill receives third reading we will overcome some of the serious inequities and solve the housing crisis in our nation.

[Mr. Marshall.]

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the few moments at my disposal I am very pleased to make some remarks concerning a bill which might not meet all our needs but which represents an attempt to answer a very serious problem in Canada, the problem of housing.

In April 1968, the federal government also promised that a bill to faciliate the ownership of low priced housing would be presented during the forthcoming session. Since April 1968, that same government created an inquiry commission on housing headed, as everybody knows, by the Hon. Paul Hellyer. The commission sat almost everywhere in Canada and presented a report. This report had smashing results as almost immediately following its release, the chairman, Hon. Paul Hellyer resigned from his position. Since then, many recommendations have been made to the government by several private organizations concerning the many housing problems not only in the province of Quebec but everywhere else in Canada. And we realized since then that housing costs have increased tremendously and particularly the cost of mortgage financing in Canada. I have very interesting data on that subject. Before referring to them I should like to quote from an article published in the *Toronto Telegram*, on October 17, 1970 and that commented on a part of the Hellyer report as follows:

> The housing situation in Canada is bad and is getting worse at least for many canadians who are looking for housing, young couples, tenants and particularly low income people. Who is responsible for this mess? Charity and common sense require that we recognize the difficulty to face urban problems. We also have to realize that our institutions do not serve us well. This government is certainly to blame because Ottawa is responsible for our banking system and our fiscal and monetary policy. Those two areas deeply affect the housing policy at every level. Unfortunately, there is in the housing field many examples of government action that have failed.

● (2140)

> To name but one, the Hon. Paul Hellyer said the federal government missed an excellent opportunity to make a positive and significant contribution to reducing the cost of housing when they did not accept his recommendation to supply the funds needed to reserve the land for certain municipal projects.
>
> There was no financial nor constitutional barrier. This could have been a great help to the municipalities concerned, and the people. The housing crisis was therefore mainly due to bureaucratic mismanagement . . .

Nothing has changed! What was true in 1970 is still true today. Another main obstacle was money, or rather the lack of it, and therefore excessive interest rates. What was true in 1970 is truer still in 1975. The unwanted orphan was fathered by the federal government. Ottawa controls the money supply and has the last word about the economic environment across the country. Our monetary mandarins knowingly and deliberatley restricted the money supply to the extent that interest rates are far above the possibilities of most potential owners and many developers. This results in fewer housing starts and brings little hope to the potential buyer.

A larger stock of money and houses would spur competition, and most significantly lower prices and rentals.

Regrettably, we will not even reach the minimum number of housing starts advocated by the Economic Council of Canada and the housing and urban development group. The housing problem is not only quantitative but also qualitative. The fiscal impact greatly favours larger projects.

Those large developments do not fill family needs. They are adequate and may be desirable for adults but children need and deserve better.

A recent study made in Yugoslavia indicates that there is more poor health among children who live on the top floor of high rise apartment buildings. These children lack exercise because their mother does not like to let them play outside.

Another study shows that mothers who live in high rises have a higher suicide rate. In certain cities, it would be impossible to build low rent apartment buildings even if loans could be obtained at reasonable rates. The legislation promotes this. In a free country, people are not free to build a little house in a city like Toronto. Urbanists, officials and politicians do not allow it. Of course, their plans allow the small wage earners and their families to live crowded in an apartment which would be just big enough for a childless couple. Of course, we all know the universal law of the bureaucracy. Civil servants multiply arithmetically while the rules multiply geometrically, but the results do not multiply and are late in coming.

Mr. Speaker, what the former chairman of the inquiry commission on housing wrote in 1970 is even truer in 1975 because the cost of housing and the cost of financing are now also astronomic, to such a point that the majority of Canadians have today lost any hope of being able to own in the near future a property that will be free of debt.

In Bill C-77, the federal government wants to direct a sum of $750 million towards various housing projects in future years, which means that with $750 million, as others have said before me, we could reach a minimum target of 20,000 dwellings, which is clearly insufficient in view of Canadian needs. At the same time, since many Canadians have lost confidence in the value of the dollar, we have exported $25 billion in Canadian money to the United States. Canadians have invested $25 billion in the United States and if these same Canadians who still live in Canada had confidence in their economy and the value of the Canadian dollar, they would be sure of the purchasing power that the Canadian economy can give them sooner or later. These $25 billion could easily be invested in housing as first mortgages, with guarantees by the Central Mortgage and Housing Corporation.

But those Canadians have lost faith in the financial yield of the Canadian dollar, and that is why $25 billion of our money were invested in the U.S. economy in the last five or ten years, which means that with those $25 billion invested in the United States we could certainly come through with at least 500,000 housing units in Canada. And, Mr. Speaker, I would like to indulge in a retrospective of the housing cost and make projections based on the figures for 1975. I will begin first by a retrospective of the housing cost in 1938. A modest home in 1938 cost $3,500, and you needed $400 cash to acquire that home. The interest rate in 1938 was 4 per cent and the rental cost to pay a $3,500 home at the rate of 4 per cent was $25 a month. In 1945, that same property cost $6,000; the cash needed to acquire that same property had remained the same—$400—the interest rate had gone up by 0.5 per cent—so 4½ per cent—and the monthly payment for that $6,000 property was $60 a month. No one will dispute that the average cost of houses has risen from $3,500 in 1938 to $33,000 in 1975; the minimum down payment to buy a house is $3,000; interest rates have risen from 4 per cent in 1938 to 11½ per cent in 1975, which means that with mortgage payments of $300 a month required for 35 years to buy a $33,000 home, the individual who makes his final payment after 35 years will have paid a total amount of $126,000 in principal and interest. This individual will therefore have paid $93,000 just for interest, and $33,000 for his actual property. So who takes advantage of the property cost increase system when it means that while house prices may increase by $5,000 or $10,000 within ten years, interest rates have gone up in 25 years by over $85,000? In 1961 also, 28 per cent of all revenues of Canadians were necessary to pay for property expenses, such as principal, interest and municipal taxes. In 1975, the same costs amount to 42 per cent of all revenues of Canadians, which means a 14 per cent increase in the percentage of all revenues since 1961, or in other words that in the past 14 years, 14 per cent of all revenues were used only to make up for the increase in housing costs, and that housing costs have gone up every year by 1 per cent of the gross national income; and that is just accounting for the increase. But if, on top of the cost of properties as I just mentioned, you apply an inflation factor of 10 per cent per year, as suggested by the new Anti-Inflation Board, if you consider the cost of living, the progressive rising of inflation, and if the new Anti-Inflation Board sticks to its 10 per cent rate, a property which in 1975 sells for $34,500, with a yearly 10 per cent increase factor, would cost, in the year 2000, in principal alone, the small amount—those figures seem ridiculous this evening—of $411,177.10. Supposing that the interest rate always remains the same, about 12 per cent, which means that there would be no inflation or increase in interest rates, a $34,500 property in 1975 would cost $411,177 in principal in the year 2000 and $16,851,000 in interest after 35 years, the total cost amounting to $17,262,000, principal and interest included. This means that a monthly rent of $41,000 would have to be paid during 35 years finally to enable the owner to discharge entirely his debt. Those figures, I agree, are sheer madness. However, they are a reflection of our mad system which has unfortunately led us too quickly to the present mad economic conditions.

Mr. Speaker, it is not with bills of $750 million to build 20,000 units in Canada and by avoiding any control over soaring interest rates that we will get low cost housing. It is absolutely fanciful and ridiculous to believe that such a legislation could solve all housing problems in Canada. That is pure fantasy and that is why very soon the government will have to take the bull by the horns, otherwise we can say farewell to home ownership in Canada. We are losing our time thinking that the owner of a small house will hold on to his property because it will be impossible for a low income earner to acquire housing on his own. In other words, Mr. Speaker, it is not through such hardly efficient and progressive legislation that we will get to solve the very delicate and serious housing problem in

Canada. Yet, home ownership is a social reality. All individuals must have access to home ownership.

Still, Canada has the necessary economic potential to allow each Canadian to purchase a house. We have everything that is needed in Canada, modern technology, advanced building methods, able builders, manpower with proven competence, the necessary primary products and resources, wood and materials, to give all Canadian families the possibility of owning a modest home. The only lack or want is that of a financial system equal to the physical possibilities, and that is why Social Crediters are asking for a review of our monetary system so that every Canadian family may have access to private property.

Mr. Speaker, I cannot oppose this bill because it represents an effort in the right direction. But I am sure this bill will not bring about any viable solution to a long term problem, and that it will fail to solve once and for all the housing crisis in Canada, in spite of the board of inquiry which has been set up, in spite of the many recommendations, in spite of studies of all sorts, in spite of the committee's recommendations, and in spite of all the speeches in the House; the Central Mortgage and Housing Corporation seems to be made up of technocrats who, for the past few years, have lived very far remote from the people and the housing problem. All the regulations originating from the Central Mortgage and Housing Corporation which the House has adopted have made it possible for contractors to become richer, but also for fewer Canadians to become homeowners.

Today, Mr. Speaker, the owner of a small house must pay an average of $100,000 in interest, if the rates remain constant. This is both ridiculous and stupid. They will not have me believe that with such a legislation and such interest rates, they will be able to help the individual, the small investor, and the small wage-earner.

● (2150)

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we are debating either the third or the fourth bill, introduced by the Liberal party in the present session, which will do absolutely nothing to solve the problem it is designed to solve. My party has said it will vote against the bill. I want to put on record our reasons for opposing the government's housing program and this amending bill.

Central Mortgage and Housing Corporation was first established to give emergency help to prospective home owners in Canada. Originally the program was designed to stimulate, in a small way, home building. Now, 20 years after its inception, it is the mainstay of house building in Canada. If, in the first place, we had provided for a revolving fund, moneys paid back to CMHC could be lent again. Meanwhile the amount available for lending would have increased considerably. But we did not do that. Instead, the government, through Central Mortgage and Housing, said it would guarantee housing loans. People went to banks and financial institutions, and borrowed money for their mortgages.

So far the people of this country have not decided that the best housing is apartment housing in a high rise apartment. Perhaps that decision is coming. At present most Canadians want to live in a home they own. But this program will not help. The money the government will lend will go on forcing up the price of housing, and not encourage the supply of new homes. Houses will be more heavily subsidized, but the subsidies will be paid, indirectly, to financial institutions.

I listened to the hon. member who preceded me say that our trouble is not that we lack lumber or know-how for building housing; simply, we lack the will to devote part of our gross national product to housing—housing which should be provided through a government agency at a relatively modest interest rate.

This legislation will merely provide more subsidies for home builders. Until recently the government gave a grant of $500 to first-time home buyers, and the province of Ontario provided an additional $1,500 to buyers in the province. Home buyers used the money for their down payment, but they saved little in the long run as they were forced to deal with real estate agents who knew the workings of the real estate industry, how to obtain mortgages and any other assistance that might be forthcoming.

As I say, the grant money did not reduce the cost of the house to the purchaser; it merely provided the down payment on the home. The net result was that the $2,000 subsidy forced up the value of the home.

An hon. Member: Ten o'clock.

Mr. Deputy Speaker: Order, please. It being ten o'clock, I regret to interrupt the hon. member.

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, I rise on a point of order. As suggested earlier this day by the hon. member for Peace River (Mr. Baldwin), may I seek the agreement of the House for the following order: that tomorrow not be an allotted day pursuant to Standing Order 58, and that one allotted day be added to the next supply period.

Mr. Deputy Speaker: Hon. members have heard the suggestion of the President of the Privy Council (Mr. Sharp). Is there unanimous agreement?

Some hon. Members: Agreed.

Mr. Deputy Speaker: And is it agreed that it be so ordered?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—HELSINKI AGREEMENT—METHOD OF DETERMINING EXTENT TO WHICH COMMITMENTS FULFILLED

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, on November 19, 1975, I directed a question to the Secretary of State for External Affairs (Mr. MacEachen) asking whether his department or any other arm of the federal government has established any plan to follow closely the Final Act of the Conference on European Security and Co-operation signed in Helsinki on August 1, 1975, in order to find out to what extent the commitments of the 35 signatory countries are being fulfilled or violated.

● (2200)

I rise tonight at this late hour to give the minister or his spokesman a greater opportunity to reply fully to my question in which many Canadians are most interested, and a question left substantially unanswered two weeks ago.

If this conference is to be a success, the signatories of the Final Act must live up to their declarations and commitments. To accomplish this, a method of monitoring the fulfillments and violations must be established and carried out carefully on a systematic and regular basis. Otherwise there is the possibility that representatives of ministers of foreign affairs assembling in Belgrade on June 15, 1977, may show up unprepared or negatively disposed, which would be most unfortunate and deplorable.

Interested and concerned citizens of today as well as future generations will judge our governments and our leaders not by words or promises, but by actions performed and by promises kept. Judgment of the value of the lengthy CSCE will depend on the extent to which the responsible government authorities will seriously identify instances of genuine and substantial implementation of the provisions of the Final Act by its signatories, notably the major powers of Europe.

I would like to propose that the federal government demonstrate its serious intentions and genuine concern by establishing without delay methods of monitoring compliance with the CSCE Final Act provisions by instructing our ambassadors in Europe to redouble representations to their host governments concerning implementation activities, for example in the humanitarian matter of unification of families and by instructing our embassies in Europe to report in a systematic and comprehensive fashion on the degree to which provisions of the Final Act have been implemented or violated.

Similar instructions may be given to the appropriate federal ministries and Canadian representatives on international agencies such as the United Nations, UNESCO, NATO and others. Furthermore, special interdepartmental committees, federal and provincial human rights commissions, ombudsmen, a special branch of the federal-provincial secretariat and interested non-governmental organizations should be established, if non-existent, and should be fully informed about the details of the Final Act and asked to forward to the Secretary of State for External Affairs their views and assessment with regard to the implementation or violation of the Final Act provisions. Canada should also consider proposing some amendments to the Final Act such as non-interference of mail and freedom of travel in a country by tourists as well as citizens.

I hope that the Secretary of State for External Affairs during the forthcoming NATO ministerial meeting will discuss with all members of the alliance the need for consultation and co-operation in following developments in this field. In particular, Canada should take proper initiatives to re-assemble the Geneva Conference on Mutual and Balanced Force Reductions in Eastern and Central Europe. As Canada has already unilaterally halved its NATO forces and delayed a modernization of its equipment, it should press the opposing side to demonstrate their commitment to disengagement or else détente becomes just a one-way street or an empty word.

Canada has invested a great deal in the CSCE. Though separated from Europe by the Atlantic Ocean, Canadians are deeply conscious that the fortunes of this continent have moulded our fate through history. Many events in Europe influence Canada and its people who seek peace and justice for all nations. For these reasons, Canadians want the Conference on Security and Cooperation in Europe to be a success.

Given the quantity of information already available and that could be properly compiled by the methods I have mentioned, there is every hope and reason to believe that we and other countries of good will should be in an excellent position to arrive at a well-informed assessment of the implementation of the Final Act provisions by the time of the review meeting scheduled for June, 1977, in Belgrade.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I rise on behalf of the minister, who is absent, and the parliamentary secretary, who is out of the country, to compliment the hon. member for Parkdale (Mr. Haidasz) for once again indicating the importance of the Helsinki conference and for his suggestions about follow up and about where the conference should eventually lead.

Canada considers that effective follow-up to the Conference on Security and Co-operation in Europe will be important and will ultimately be the measure of its success or failure. We are concerned that all parts of the Final Act should be implemented, but are particularly concerned about those which deal with the freer movement of people and ideas and with confidence building measures, such as advance notification of military manoeuvres. Canada is monitoring the implementation of these provisions closely. Positive developments in the area of freer movement of people and ideas will provide us with an indication whether detente is being given a human dimension, and a positive response to the commitments on confidence building measures will provide us with a signal that the spirit of Helsinki also extends to the military sphere.

Parts of the text have already begun to be implemented. The NATO countries have notified the other participating states in accordance with the commitments on confidence

building measures. The texts concerning economic, scientific, technological and environmental co-operation have begun to be discussed at meetings this autumn of the Economic Commission for Europe. These texts, as well as those concerning co-operation in humanitarian and other fields, are also being reviewed at UNESCO headquarters in Paris with a view to accelerating implementation. In a slightly different application of the text, the formulation on family reunification allowed agreement to be reached between Canada and the German Democratic Republic on the establishment of diplomatic relations.

Officials in the Department of External Affairs and those from other departments are reviewing the implications for Canadian policy and practice of the terms of the Final Act in the various fields that it covers.

As to follow-up, Canada and its allies are considering methods for monitoring CSCE implementation with the objective of assuring participating states' maximum compliance with the provisions of the Final Act. We recognize, however, that in some areas a period of preparation and analysis is required before implementation can begin and participating states, including Canada, will require several additional months of study before priorities can be established and follow-up measures developed.

Monitoring the implementation of CSCE commitments will assist us in our preparation for the Belgrade review conference in 1977.Consequently, at Belgrade we should be able to evaluate with confidence the degree of adherence to the agreed provisions of the Final Act by the participating states and we will then be in a position to draw the appropriate conclusions, whatever they may be, regarding the success of the CSCE.

POST OFFICE—MAINTENANCE OF RIGHT OF CASUAL EMPLOYEES NOT TO JOIN UNION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question tonight pertains to the Post Office. I am pleased to see that the reply to my question will be given by my colleague the hon. member for Fort William (Mr. McRae), the Parliamentary Secretary to the Postmaster General. The reason I say this is that my late grandfather, J.W. Alkenbrack, who many years ago was postmaster at Flinton, Ontario, later moved to Fort William, and some members of our family still live there on Francis Street, in what is now the new united city of Thunder Bay.

In the midst of the mail strike, which I hope has just permanently terminated, I rose in the House, on Tuesday, November 4, and on Friday, November 14, and asked the following questions, recorded in *Hansard* at page 8834 and 9062 respectively. My November 4 question was:

> My supplementary is to the Postmaster General. Did the minister, in his deliberations with the union, maintain the freedom of Canadian citizens to accept casual employment without joining a union?

The Postmaster General (Mr. Mackasey) replied:

> I should like to be very frank with the hon. member on this issue but I think I shall have to ask him to show some patience because, traditionally, terms or conditions affecting a collective agreement arrived at through negotiation are the prerogative of the union to announce to its membership at the time of ratification and I would not wish in any way unintentionally to jeopardize or prejudice this undoubted right of unions.

[Mr. McRae.]

● (2210)

Again I asked on December 4 a supplementary question as follows:

> Would the Postmaster General see that the rights of casual non-union employees are maintained in this dispute?

The minister replied:

> Mr. Speaker, this is a little different question concerning casuals who are not members of the union. Casuals were always used to provide service when there was a high volume of mail. This right has not been eroded. Management has maintained that particular right, even though it has spelled out certain situations that limit the use of casuals.

The minister then went on to answer another question. I hope we can be assured that the right of these casuals to work under the prerogative of the postmaster in each post office has been maintained.

I did not wish to jeopardize or prejudice the outcome of the negotiations. My concern in this whole matter is that the right of casual employees be maintained in order that they can work in any post office that needs casual help, without having to join a union. That has been the historic right of citizens in all parts of Canada, and in busy periods, especially at Christmas time, casuals are brought in and hired. The prerogative in this regard rests with management and with every postmaster in Canada. His is the decision, and his alone, as to how many casuals he needs and which ones he will hire. That is why this evening, now that the strike is over, I should like the Canadian people to be assured that the Postmaster General (Mr. Mackasey) in his deliberations with these unions has maintained that right. This is what prompted me to ask the questions on the two previous dates I mentioned.

I asked these questions because of the personal rights of the people involved. I have been quite concerned about this because one of the leaders of the union has treated the Canadian public very shabbily and in a very cavalier manner when he said in the heat of attempted negotiations, "To hell with the public." I caution parliament and the Canadian people here tonight not to forget this remark.

Mr. Prud'homme: We won't.

Mr. Alkenbrack: I ask that because the actions and manner of certain union leaders are detrimental to the maintenance of the fabric of our system, and even to our very society itself. No Canadian, no matter what section of our society he moves in, can make such a statement and be judged unaccountable, and get away with complete impunity.

Mr. Prud'homme: Right on.

Mr. Alkenbrack: I congratulate the Postmaster General, who is not here this evening but is unavoidably absent, on his good work throughout the difficult times of this strike. I know that he, in his deliberations with the union leaders, had to withhold certain particulars of settlement from the public, but now that the strike is over this would be a good time to report those particulars to the House. He can do so now without jeopardy to any of the parties involved. In

particular I want to be sure that the rights of casual employees in the postal system have come through this strike unimpaired and inviolate, and that the authority and the prerogatives of postmasters and their management remain supreme in each post office, which is their place of duty and rightful jurisdiction.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I should like to thank my friend, the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack). I appreciate his questions and his support for the Postmaster General (Mr. Mackasey) during very difficult times. I know of his uncle and am sure he was a good postmaster. We have many employees in the Post Office today of the same calibre, many of whom are very concerned about the problems they have had, for which they feel some responsibility, as well as being concerned about the things that are happening in the Post Office and to the country.

There are some parts of the hon. member's question which I am not prepared to answer as they go beyond what I have prepared, and to some extent beyond the questions asked in the House earlier. I regret that I cannot give the hon. member those answers off the top of my head at this time.

I should like to answer the one question asked by the hon. member concerning the maintenance of the right of casual employees not to join a union, and the right of the Post Office to bring in casuals whenever necessary. In actual fact the freedom of Canadians not to join a union remains a provision of the Public Service Staff Relations Act.

I would like to point out, Mr. Speaker, that we have no agreement whatsoever, nor is there any attempt to restrict the freedom of Canadian citizens to accept casual employment without being forced to join the union. You may rest assured, Mr. Speaker, that as law-abiding citizens we do not intend to contravene the Public Service Staff Relations Act. We will abide by it so long as it remains in play.

Motion agreed to and the House adjourned at 10.17 p.m.

HOUSE OF COMMONS

Friday, December 5, 1975

The House met at 11 a.m.

ORAL QUESTION PERIOD

[*English*]

CONFLICT OF INTEREST

INQUIRY WHETHER PRIME MINISTER DISCUSSED SKY SHOPS SITUATION WITH SENATOR GIGUÈRE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister, and I am sorry to disturb him. My question is with regard to the answers or non-answers given to me yesterday by the Prime Minister. Even though I accept with some difficulty his statement that he has less knowledge of the facts in connection with Sky Shops and related matters than the average member of the public does, which seems to be the inference he created yesterday, I should like to ask him if he has had any discussions with Senator Giguère with respect to the Senator's interest in and activities on behalf of companies doing business with the government. In saying this I emphasize that I am not dealing with the question of criminal investigation, I am dealing with the question of public morality and ethics. Has the Prime Minister had any discussion with the Senator?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I have not spoken to the Senator in years, I would say. I did understand that he made an offer to his colleagues in the Senate to answer any questions they might have and to testify before a committee that they might set up on conflict of interest or on any other matters. That satisfied me as being an indication that the Senator would be open on this particular aspect of conflict of interest which the Senate is presently in the midst of studying. As the hon. member knows, the government submitted a report on conflict of interest which, after a very long and agonizing process through the House, has gone to the other place.

SUGGESTED REVIEW OF GUIDELINES BY PRIME MINISTER

Mr. G. W. Baldwin (Peace River): I sympathize with the Prime Minister in his use of the word "agonizing". I should like to ask the right hon. gentleman if he has had a chance to read and review the guidelines in question of which the Minister of Justice indicated he was the initiator or the father, and under the circumstances is he considering withdrawing those guidelines and issuing new ones which will have the effect of ratifying, confirming and adopting as a model the facts which have been brought out and made public in connection with the matter of Sky Shops and related incidents.

Right Hon. P. E. Trudeau (Prime Minister): I would be interested in re-reading the guidelines if the hon. member would indicate what particular section he thinks the Senator has infringed.

● (1110)

Mr. Baldwin: I suggest the Prime Minister would do well over the weekend to refresh his memory and read guidelines numbers 1, 2 and 3.

Mr. Trudeau: You don't know the answer?

Mr. Baldwin: He would find them very interesting reading.

* * *

AIRPORTS

DORVAL—SUGGESTED FUTURE TENDERING ON LEASE HELD BY KEBEC RESTAURANTS—REQUEST FOR TABLING OF LEASE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Acting Minister of Transport in the absence of the minister. It is in regard to the lease currently held at Dorval by Kebec Restaurants. In view of the fact that this company has had a monopoly on this lease for more than ten years at very advantageous rates, could the minister assure the House that when this lease is up for renewal in February it will be put out for open tender, in keeping with stated departmental policy?

Mr. Chrétien: That was approved in 1962.

Mr. Speaker: Order, please. The hon. member for Central Nova on a supplementary.

Mr. MacKay: If there is no Acting Minister of Transport, I will ask the Prime Minister if he would be prepared to arrange to table in this House a copy of the lease agreement between the Department of Transport and Kebec Restaurants which the minister indicated yesterday assured this company it would continue to enjoy these exclusive rights at Dorval for almost 15 years without any competitive tendering. Perhaps it could also be explained why Kebec Restaurants, whose president says it is now making a handsome profit on its operations at Dorval, currently is paying no higher a percentage to the government than was originally—as the President of the Treasury Board said—set in 1960.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly bring this to the attention of the minister. As the hon. member says, it will mean going back a number of years. This was a lease which originally was granted by the Diefenbaker government, and the terms of it were approved under the Diefenbaker government.

Mr. Diefenbaker: Well changed since.

Mr. Trudeau: That was the origin of this apparently very sinister giving of a contract.

Some hon. Members: Oh, oh!

* * *

ANTI-INFLATION BOARD

POSSIBILITY BOARD HAS POWER TO MAKE DECISIONS CONTRAVENING LEGAL PRINCIPLES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Yesterday in reply to a question I put to the Minister of Justice with regard to the inconsistency of principle which has been decided upon by the chairman of the Anti-Inflation Board in terms of reaching decisions with severity now and more leniently later, as he stated two days ago in a speech and repeated yesterday, the Minister of Justice said that the law we passed on Wednesday in this chamber, Bill C-73, gave that kind of power to the Anti-Inflation Board. I should like to ask the Prime Minister if it is his view that the authority given to the Anti-Inflation Board is such that it is possible for it to make decisions which contravene the principle of the rule of law?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I suspected and stated in the House yesterday, Mr. Pepin was misquoted. He was contacted yesterday, and he said that he had been very badly misquoted.

Mr. Broadbent: Mr. Speaker, I, too, heard Mr. Pepin's correction, at least as it was reported again in the news last night, and if I remember correctly, his words were to the effect that once again his rulings or the board's rulings, in interpreting the anti-inflation legislation, would be less severe further down the road, as he hoped at that time inflation would ease up. If that is the case, it seems to me that he is simply using different words from those attributed to him earlier, namely that the law as it now exists will be applied less severely to groups which come before the board in two, three or four months hence than it will be to those groups which come before it now. Does the Prime Minister understand that that is the situation?

Mr. Trudeau: I am informed that the Minister of Finance contacted Mr. Pepin, and Mr. Pepin said he had been misquoted. So if the hon. member is now saying that he heard a second quote, it is probably a second misquote.

Some hon. Members: Oh, oh!

GOVERNMENT VIEW ON CONSISTENCY OF BOARD RULINGS

Mr. Edward Broadbent (Oshawa-Whitby): My final question will not deal with what Mr. Pepin is alleged to have said or not to have said. I should like to ask the Prime Minister to state government policy on this matter. Is it the view of the government that the Anti-Inflation Board must rule in a consistent fashion for the whole period for which that legislation is operative in Canada?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): Well yes, Mr. Speaker. The board is certainly expected to rule in a very even-handed manner but as the hon. member knows, in matters of administrative law you do have to look at the particular case and it does happen that administrative law is made up of a series of judgments in particular cases. I have no way of predicting what the Anti-Inflation Board will judge in particular cases, but I am confident it will judge within its mandate and within the terms of the law and regulations.

* * *

[*Translation*]

INDUSTRY

GOVERNMENT MEASURES TO SAFEGUARD SHOE INDUSTRY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce.

On October 24, 1975, the Shoe Manufacturers' Association of Canada submitted to the committee an excellent and extremely important brief on trade and custom duties concerning the very serious circumstances of this Canadian industry. My question is this: can the minister advise the House whether, following the submission of this brief, he will soon announce strong and concrete measures to prevent most shoe manufacturers in Canada from going under, as is the case in my own riding where employers have had to lay off 75 per cent of their staff including some with over 30 years' experience in this important industry?

[*English*]

Hon. Alastair Gillespie (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, in the absence of the minister I would be pleased to bring that question to his attention. I know he will be back early next week. At the present time he is leading a very important trade delegation to France.

Mr. Fairweather: Has he seen the President?

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ENERGY

SARNIA-MONTREAL PIPELINE—DATE OF COMPLETION AND ESTIMATED COST—ESTIMATED THROUGHPUT AND POSSIBILITY OF MAKING DEFICIENCY PAYMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Finance, I will put my question to the Minister of Energy, Mines and Resources. Can the minister inform the House when the interprovincial pipeline extension to Montreal will be completed in light of the recently announced delay, and can he inform the House what this extension is now estimated to cost?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, when I last spoke to the president of the Interprovincial Pipeline Company he told me that he expected oil to be moving through that pipeline by May 1, 1976. I recognize, as does the Leader of the Opposi-

tion, that there have been difficulties with respect to construction as a result of weather and other conditions and it is possible there may be a delay. If there is a hard frost, however, I understand that construction will proceed throughout the winter months.

Mr. Stanfield: Mr. Speaker, the minister did not answer the second part of my question about the present estimated cost upon completion. Perhaps when he answers that he could indicate how much oil it is now contemplated will be going through that extension on a daily basis when it is completed in light of the revision of our oil reserves and export policies, that sort of thing. Does the government now estimate it will have to begin making deficiency payments with repect to this pipeline right off the bat?

Mr. Gillespie: Mr. Speaker, I will attempt to get the figures the Leader of the Opposition is asking for on the increased costs that may be associated with any delay but I have not got them at present. As to the throughput of the line, I expect there will be 250,000 barrels a day moving through that line before the end of next year.

* * *

ADMINISTRATION OF JUSTICE

QUEBEC CRIME PROBE—REASON FOR FEDERAL PARTICIPATION IN JURISDICTIONAL CHALLENGE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister in the absence of the Minister of Justice. Having regard to the exceptional manner in which the crime probe in the city of Montreal has operated and received national approbation, can the Prime Minister tell the House why, in the appeal to the Supreme Court of Canada on the part of certain individuals who did not want to give evidence before that commission, the government of Canada joined with those alleged Mafia and unsavoury characters in arguing that the probe was not within the jurisdiction of the government of Quebec.

● (1120)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a very simple matter of the law. If the hon. member looks at the BNA Act he will find that criminal law comes within federal jurisdiction.

Mr. Diefenbaker: Mr. Speaker, did the Prime Minister not think that the Supreme Court of Canada was aware of that elementary law to which he alluded? Did he not think they possessed the intelligence to understand that? Why, then, did the government of Canada throw its weight behind these alleged thugs in order to set aside the probe so beneficial to the revelation of wrongdoing?

Mr. Trudeau: Mr. Speaker, when the jurisdiction of the government of Canada is thought to be infringed by any provincial action or legislation—

Mr. Diefenbaker: Aha!

Mr. Trudeau: Aha!

Mr. Hees: It's Friday morning.

Mr. Trudeau: —it is the current practice of the government of Canada to step in, to defend that aspect of its jurisdiction, and this has nothing to do with who happens to be under suspicion. We are not of that category of people who believe, as the hon. member presumably does, that it is the duty of the police to inform the press of the investigation they are conducting.

Some hon. Members: Oh, oh!

An hon. Member: Shame!

Mr. Diefenbaker: Mr. Speaker, was this done because the government feared that some revelations might bring out certain things the government did not want to have released?

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, it is perhaps possible that during the tenure of the right hon. gentleman as Prime Minister something would have been discovered, but we are not afraid.

Mr. Diefenbaker: No, no. You prevented the court from acting. That was cowardly. You would not find anything during my period to indicate wrongdoing.

* * *

TRADE

REASON IMPORTS OF AUTOMATIVE PARTS FROM UNITED STATES GREATER THAN CANADIAN EXPORTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a hard act to follow. My question is for the Minister of Industry, Trade and Commerce. In his absence—he is in France on an important mission—may I address the question to the acting minister, who was the minister responsible when these things happened. Why is it that during the first nine months of this year Canada increased its exports of automotive parts to the United States by only 10 per cent, when the economy of that country was recovering rapidly, while, at the same time, the United States was able to increase its exports of the same products to this country by twice that amount when the economy of our country was flat?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am surprised that the hon. gentleman has not looked at the statistics. If he had been watching the situation he would have realized that the United States automobile market was a lot flatter than the Canadian market.

Mr. Hees: A supplementary question, Mr. Speaker. That is a complete misstatement, because the American economy has been recovering rapidly, particularly the automotive sector, as the minister knows. I ask, as I once headed this distinguished department, what has happened to this once great department which used to pride itself on being the greatest salesman in the world but now seems to have lost its touch.

[*Translation*]

THE MINISTRY

INQUIRY WHETHER NEW MINISTER OF COMMUNICATIONS WILL SOON BE ANNOUNCED

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister.

Is it exact that with his well known charisma he has now succeeded in overcoming the resistance of the Minister of the Environment and bringing her into the labyrinth of communications?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, all ministers are very interested in the communications problem and, as I had the opportunity of stating to the press yesterday, several backbenchers could do an excellent job as ministers of communications.

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

Can the Prime Minister advise the House today whether the appointment has already been agreed upon by the Cabinet?

Mr. Trudeau: Mr. Speaker, the hon. member will understand that until the Governor General has sworn in a new minister, it is not customary to disclose the name of this minister.

* * *

[*English*]

PUBLISHING

POSSIBILITY OF ACTION TO PROTECT CANADIAN SHAREHOLDERS IN "READER'S DIGEST"

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Prime Minister. In view of the serious adverse effect present legislation, Bill C-58, will have on the value of stocks held by 600 Canadian citizens in *Reader's Digest* (Canada), will the government take action to protect their equity which amounts to about 32 per cent of the ownership of the company?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize; the import of the question escaped me. I will take notice of it and try to answer, unless the hon. member wants to ask the question again.

Mr. Alkenbrack: Mr. Speaker, if the Prime Minister did not get the import of my question, may I repeat it. In view of the serious adverse effect of his present legislation, Bill C-58, upon the value of stocks held by 600 Canadian citizens in *Reader's Digest* (Canada), will his government take any action to protect their equity which amounts to about 32 per cent of the ownership? Three years ago, this stock was worth $32.50 on the market. This morning it is worth $7.

Mr. Trudeau: Mr. Speaker, in order to even consider the question, one would have to know to what the serious adverse effect is due. I have no means of knowing what is going to happen to *Reader's Digest* or to any other magazine in Canada. If I were playing the stock market, I would take my own chances.

* * *

AGRICULTURE

COW-CALF STABILIZATION PROGRAM—DATE PROGRAM EFFECTIVE—FEDERAL-PROVINCIAL AGREEMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the congenial Minister of Agriculture. In view of the continuing difficulties of cow-calf operators, which the minister knows are very serious, can he tell us whether he has the Christmas spirit and can guarantee that he expects the federal cow-calf stabilization program to be in effect in this country after the new year?

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker.

Mr. Nystrom: May I ask Scrooge whether he has secured agreement in principle between the provinces and the federal government on the broad details of such a program. If not, can he tell us whether any of the provinces are opposed to such a program?

Mr. Whelan: Mr. Speaker, we have an ongoing committee of federal and provincial officials discussing this which will be discussed further at the Outlook Conference. There will be a full ministerial meeting on December 17 to discuss all the possibilities of stabilization and what kind of program we should be developing. We hope to develop a program for beef producers for the calendar year January 1 to December 31, 1976, some time in the future.

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FINANCE

DATE OF INTRODUCTION OF LEGISLATION IMPOSING EXPORT TAX

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): My question is addressed to the House leader. A month ago the Minister of Finance indicated to the House that he planned to introduce legislation to impose export taxes on all export companies. He promised to have this in before Christmas. Will this be coming in before Christmas?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, this matter is now under discussion. It is the intention to introduce some resolutions along these lines before the House adjourns for the Christmas break.

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EXTERNAL AFFAIRS

ISRAELI ATTACK ON REFUGEE CAMPS IN LEBANON—POSSIBILITY OF PROTEST BY CANADA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct my question to the lucid and articulate Acting Secretary of State for External Affairs. It

concerns the recent heavy raids by the Israeli air force which resulted in the killing of many women and children in Palestinian refugee camps in the sovereign state of Lebanon. Can the minister advise if the Canadian government shares the concern expressed in Washington and at the Vatican inter alia as to this destructive attack on civilians and, if so, has such concern been expressed to the Israeli ambassador to Canada?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, like the hon. gentleman, I am sure we all deplore this terrible tragedy, regardless of the circumstances or of the provocation. It has not been necessary for us to express any view on this matter in the United Nations because it has come before the Security Council of which we are not a member. However, I can assure the hon. member that the government deplores actions of this kind, regardless of their origin or of their motivation, and hopes this cycle of violence that has now escalated to these heights will soon be at an end.

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● (1130)

[*Translation*]

SCIENCE

DATE OF PUBLICATION OF REPORT OF SCIENCE COUNCIL ON JAMES BAY PROJECT

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of State for Science and Technology.

Some time ago, a Montreal daily confirmed the existence of a report prepared for the Science Council of Canada by Mr. Eric Bourdeau, engineer-economist, on all the circumstances that surrounded the launching of the James Bay project. As this report has now been completed, can the minister tell us whether it will be made public and, if so, when?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, I shall look into the matter and ask the Science Council of Canada whether it will publish a report.

Mr. La Salle: Mr. Speaker, I have a supplementary. I have, like many others, followed the evolution of the James Bay project, and as I feel that the report can in no way be very flattering for the Quebec government, in view of the lack of preliminary surveys, and also in the interest of all Quebecers, I ask the minister whether he will recommend to the cabinet that the report be published for the information of Quebec residents?

Mr. Drury: Mr. Speaker, I shall inquire about the matter.

[*English*]

MANPOWER

MINISTER'S ESTIMATE OF UNEMPLOYMENT IN 1976—REQUEST FOR ESTIMATE OF PRIME MINISTER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct my question to the Minister of Manpower and Immigration. Two nights ago the minister, on the Program "Reflection", indicated that his personal estimation of unemployment in the year 1976 is 7 per cent. I wish to ask the minister whether, in reaching that estimation, he took into account the impact of the anti-inflation legislation.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, Mr. Speaker. It was a personal observation.

Mr. Alexander: I have a supplementary question for the Prime Minister. As I said, the Minister of Manpower and Immigration stated two nights ago it was his personal estimation that the unemployment rate for the year 1976 would be 7 per cent. I now ask the Prime Minister whether he agrees with the minister with regard to this or, if not, whether he will tell us what in his judgment will be the unemployment rate for 1976. I know there is some rapport between those who sit on the front bench.

Right Hon. P. E. Trudeau (Prime Minister): I do not make personal estimates. I read the figures from Statistics Canada and statements about the possible trend of the economy from various sources.

Mr. Alexander: The Prime Minister, I think conveniently, neglected to answer the main part of my question, that is, whether he agrees with the estimate given by the Minister of Manpower. I would think the Minister of Manpower has provided some input in this connection.

Mr. Trudeau: When we attempt to remedy such evils as unemployment, we do it in various ways. The budget is the most obvious way in which we act. Of course, when we impose budgetary measures to expand the fiscal and monetary framework we make assumptions as to what unemployment would be had we not acted in certain ways and these assumptions, to the extent they are important in reaching decisions, can usually be assessed from the budget itself.

Mr. Alexander: Do you agree with the minister or not?

An hon. Member: Irrelevant.

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AGRICULTURE

COW-CALF STABILIZATION PROGRAM—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT—CONSIDERATION OF PROGRAM UNDER STABILIZATION ACT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Agriculture, primarily for purposes of clarification, arising out of an answer he gave to the hon. member for Yorkton-Mel-

ville. I think the minister indicated, if I understood him correctly, that there would be no stabilization program aimed at assisting cow-calf producers in January, 1976. Could the minister clarify this answer in the light of his statement of November 26, which can be found on page 9462, of *Hansard* in which the minister indicated that he and his deputy minister and their provincial counterparts would be meeting to work out a proper program to start, I think, in January, 1976. Has the minister changed his mind? Is anything going on? Or does he intend to allow the situation to deteriorate to the extent that the cow-calf producers will all go broke?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member is reading something which I do not have in front of me at the present time. I do not believe I specifically said anything about a cow-calf program on November 26. I said we were working on a program which we were going to develop for the calendar year from January 1 to the end of December, 1976. It doesn't have to start on January 1. The announcement can be made at any time, for example, in the middle of the year. Meetings are still taking place. There are ongoing meetings between provincial deputy ministers, my deputy minister and officials in my department, trying to work out suitable programs. If we can decide on a proper program for beef producers I hope it will be announced as soon as possible.

Mr. Mazankowski: Is the minister saying he is not considering a specific cow-calf program under the provisions of the Agricultural Stabilization Act? Yes or no.

Mr. Whelan: There is nothing in the act that specifically says there has to be a program for cow-calf operators. The reference is to cattle and the hon. member knows that we follow the act and we have not changed it. And we are not going to change it until we can work out a proper program, because there has been too much disunity among beef producers in the country about what they want done and what they do not want done. Not all the provinces are unanimous about what should or should not be done.

Mr. Mazankowski: A final supplementary question, Mr. Speaker. I simply ask the minister, is the answer yes or no? From the language he used I take it the answer is no, and that he is not considering a program for the cow-calf producers of this country.

Mr. Whelan: Mr. Speaker, the hon. member knows we have considered a cow-calf program in the hope some kind of program beneficial to cow-calf producers or beef producers in total can be worked out. That is what we want, if it can be a national program. Of course, it must be done with the co-operation of the provinces and the producers.

PERIOD TO BE COVERED BY COW-CALF STABILIZATION PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): The minister referred to January, 1976 as the starting date and then said he did not know whether he could make the announcement as soon as that. Regardless of when the announcement is made, can he assure the House that if such a program comes into effect, it will be retroactive to the beginning of the year?

[Mr. Mazankowski.]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, some of the programs we have are sometimes not announced until the end of the crop year. I have met with producers, as recently as yesterday, who suggested we do not announce stabilization programs until the crop year ends. But we have a formula already worked out for them. They were of the opinion it might have an effect on their market. I said that if we did have a program it would be for the calendar year, January, 1976 to the end of December, 1976.

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[*Translation*]

OLYMPIC GAMES

PROPOSED MEETING WITH QUEBEC TO AVOID FAILURE

Mr. René Matte (Champlain): Mr. Speaker, I want to put a question to the right hon. Prime Minister.

Following the wish expressed by International Olympic Committee Chairman Lord Killanin that provincial and federal authorities in Canada join their efforts to ensure that the facilities for the Olympic Games in Montreal be ready in time, could the Prime Minister tell the House whether he would agree to meet the Quebec authorities to determine what joint action could be taken to guarantee the success of the games, because failure to hold them could tarnish the image of our country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not read the international chairman's statement. If he had proposals to put to the government of Canada, I suppose he would know to reach this government. As regards the rest of the question, we have not received from the government of Quebec any request for a meeting on that particular subject.

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[*English*]

POST OFFICE

ALLEGATION MANAGEMENT LEAKED TERMS OF SETTLEMENT—POSSIBILITY OF INVESTIGATION

Mr. Stan Darling (Parry Sound-Muskoka): I would like to direct a question to the Postmaster General, Mr. Speaker. In the light of allegations by CUPW that Post Office officials conspired with local union leaders in Toronto and other places to undermine the collective bargaining process, will the Postmaster General tell the House if the Deputy Postmaster General or anyone else released details of the government's offer to anyone other than the union negotiating team, and if an investigation into the allegation is proposed?

Hon. Bryce Mackasey (Postmaster General): I think any investigation should be made by CUPW and their own local officials rather than by the Post Office, in connection with any contact we may or may not have had with members of the CUPW other than the negotiating team. I am not aware of any direct contact at all with any president of any local of CUPW.

ENVIRONNENTAL AFFAIRS

FRASER VALLEY FLOOD CONTROL—SUGGESTED EARLY ACTION ON REQUEST FOR FUNDS

Mr. Bob Wenman (Fraser Valley West): In view of the statement of the Minister of the Environment in the House that the request for funds for the Fraser Valley flood control program is before Treasury Board, and in view of the urgency of the request because of current and potential further spring flooding in the Fraser Valley, could the President of the Treasury Board assure the House that priority will be given to making a decision on the request before it. Could the minister advise us when a decision might be forthcoming? Has this request been dealt with and, if not, will the minister assure the House that priority will be given in making a decision and will he advise us when such a decision might be forthcoming.

● (1140)

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, of course, if we were faced with an urgent problem and the Minister of the Environment asked me to examine a recommendation with my colleagues of the Treasury Board, I would do so as soon as possible. Naturally, I would like the hon. member to note at the same time that he might perhaps inform the leader of the opposition that he calls on the government to spend a little more money.

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[*English*]

ADMINISTRATION OF JUSTICE

POSSIBILITY OF MEASURE TO REPLACE WAR MEASURES ACT—DATE OF INTRODUCTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Solicitor General. Because of the fact that earlier this week the Minister of Justice was unable or perhaps unwilling to confirm the minister's own statement suggesting that new legislation is being considered for security reasons for the Olympics for the purpose of replacing the War Measures Act, in the absence of the Minister of Justice could the Solicitor General advise this House whether or not such legislation is in fact being drafted and, if so, for what purpose and when can we expect it to be introduced.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that legislation is under the responsibility of the Minister of Justice. It is my understanding that some of it is being drafted but I cannot give the hon. member further details.

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NATIONAL PARKS

ST. LAWRENCE ISLANDS—MINISTER'S MEETING WITH LOCAL RESIDENTS—POSSIBILITY OF EXPROPRIATION—CONSULTATION WITH PROVINCE

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question and hopefully a short supplementary for the Minister of

Indian Affairs and Northern Development. Has he agreed to meet with the residents of the St. Lawrence islands parks region to discuss their many objections to the government's park expansion plan and when and can he guarantee there will be no expropriation of private property.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am looking at the book. Sometime next week, I believe on Thursday or Friday, I will be meeting representatives of the region. The question of expropriation presumably will be discussed. I have already said we hope there will be no expropriation, but if there is it will be in very limited key areas. We hope we will be able to get whatever properties are required on a voluntary basis. To date, some 20 people have come forward and offered their properties.

Mr. Cossitt: Mr. Speaker, can the minister advise the House the reason an official of Parks Canada, Mr. Christakus stated publicly to the residents in the area at a public meeting that the minister had conferred with his provincial counterpart before this expansion plan was announced because subsequently at least two provincial cabinet ministers have denied that any such meetings took place. Could the minister tell us if, indeed, he did confer with his provincial counterpart.

Mr. Buchanan: Mr. Speaker, I will have to check back. I do not think I did, but I believe there were discussions at the official level concerning the park.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBILITY SELF-EMPLOYED MAY DEFEAT GUIDELINES BY BORROWING FROM THEIR COMPANY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Minister of Finance, I should like to direct my question to the Prime Minister. Can he comment on recent reports that self-employed businessmen may be able to get around the pay increase guidelines by lending themselves money out of the company treasury at low interest rates and generous pay-back provisions. Is this something to which the government would object and, if so, can he say whether the government intends to plug this particular loophole?

Right Hon. P. E. Trudeau (Prime Minister): This is the first I have heard of it, Mr. Speaker. I will be glad to draw it to the attention of the Minister of Finance and find out if there are regulations to prevent this happening.

ANTI-INFLATION PROGRAM—INCREASED PRODUCTIVITY MAY PERMIT INCREASES IN INCOME GREATER THAN GUIDELINES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is generally acknowledged that as an economy begins to come out of a recession, productivity as we measure it, begins to go up. Mr. Donald Edwards, director general of the compensation branch of the Anti-Inflation Board has indicated that the board might—

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. Orlikow: Mr. Speaker, would the Prime Minister inquire whether the government's productivity increases would permit increased compensation of up to $5,000 which is more than the guidelines suggest.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, increased compensation to whom and under what circumstances? I am afraid the hon. member would need to ask the question at more length or submit it in writing.

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AGRICULTURE

CANADIAN EGG MARKETING AGENCY—SUGGESTED EXAMINATION OF COST OF PRODUCTION FORMULA—REASON FOR REDUCTION IN PRICE

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that the Canadian Egg Marketing Agency has now reversed the position it took on November 24 in its letter to the Anti-Inflation Board and has in fact rolled back the price of Grade A large eggs on the basis of a decline in the price of feed, I ask the minister if he is now prepared to direct, or as a result of his meeting with the Farm Products Marketing Council he is directing, the council to examine the whole cost of production formula of the agency and is he satisfied that the cost of production formula is in order.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the hon. member wants to find out for himself he can do so very easily by talking to any member of the council. We have a full-time officer who just watches the price formula they are using. The fact that eggs have been reduced one cent a dozen is the result of following the formula. They could reduce it further in another month if the cost input warrants that much of a change. I am satisfied that when they increased the price of eggs one cent a dozen for grade A large this was warranted. We are continually watching it. I said to the hon. member the other day I was going to meet with the Farm Products Marketing Council and he tried to say I misled the House. I did meet with them. I told them my concern and the concern of the members of the House of Commons about what was going on and they assured me they were following the formula and that their person was checking. I did not receive a written reply but I received a phone call telling me they were satisfied and also that their price would be rolled back one cent a dozen because of the information they were provided by the feed industry in Canada and as a result of their double checking with the Canadian Livestock Feed Board, and so on, which they do constantly every day of the week.

Mr. McGrath: Mr. Speaker, may I ask the minister if we can take from his answer that the price of eggs has been rolled back as a consequence of discernible changes in the price of feed grain or if in fact the price of eggs has been rolled back as a consequence of the protest levelled at CEMA over the recent price increases by the Anti-Inflation Board.

[Mr. Speaker.]

Mr. Whelan: Not at all, Mr. Speaker. The price was rolled back because they are following the formula as they are supposed to and because we are watching them.

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NATIONAL REVENUE

TAX ON GASOLINE—PROVISION TO ELIMINATE COLLECTION OF REFUNDABLE PORTION

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of National Revenue. Could the minister advise the House whether or not there will be a certification program in place by December 31 to provide that his department will not have to continue the collection of the ten cents per gallon excise tax on that portion which ultimately has to be refunded to the several eligible groups in Canada.

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I am advised that the regulations are now in the final stage of preparation and would expect to be able to announce them soon. There is an interdepartmental committee working on this. Whether they will reach all the individuals the hon. member would like I do not know at this time.

Mr. Towers: Mr. Speaker, could the minister tell us whether this certification program will be in place by the end of this year so that another taxation year will not be involved.

Mr. Cullen: I do not expect by the end of this year, Mr. Speaker.

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MANPOWER

PROPORTION OF NON-CANADIANS TEACHING AT UNIVERSITIES—GOVERNMENT ACTION

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Has his department conducted an inquiry into the whole question of the extent and effect of the apparently high proportion of persons teaching in Canadian universities who are not, or are not trying to become, Canadian citizens.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this whole area is under very intensive review now. I do not think it will be long before we will be announcing a federal position. As the hon. member will appreciate this is very much a matter under provincial jurisdiction and we will make our decision after consultation with the provinces.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT REGULATIONS BE MORE HUMANE

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the minister responsible for unemployment insurance.

Considering that several UIC officers act in a disgraceful manner towards claimants, for example by making them sign statements and then forcing them to make payments over a long period, and considering that some people must pay up to $20 a letter to a physician to get their benefits, which is an acquired right, can the minister tell this House whether he intends to establish more humane guidelines for the implementation of this legislation?

● (1150)

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe that the Commission employees, with very few exceptions, have been acting totally under the provisions of the Act and not in an inhumane or shameful fashion. I resent the criticism and allegations about them. With regard to the monitoring of unemployment insurance benefit payments, I believe it is necessary in order to maintain the integrity of the plan. The practice of signing statements through the benefit control process was discontinued three or four months ago and those details have been explained before the Standing Committee on Labour, Manpower and Immigration. In so far as other activities are concerned, if the hon. member has any specific instances, I would be glad to look into them.

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ENVIRONMENTAL AFFAIRS

SYDNEY EPIDEMIOLOGICAL STUDY—GOVERNMENT POSITION ON RECOMMENDATIONS OF CITY COUNCIL

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of the Environment. The minister is aware of a report by the Environmental Protection Service stating that effluent from the operations of the Sydney steel plant into the Sydney harbour contains more than 100 times the level of pollutants allowable under U.S. standards. May I ask the minister if she is in receipt of a resolution from the Sydney city council making seven recommendations pertaining to the Sydney epidemiological study and, if so, is she prepared to accede to the request of the city council?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I have not received and I do not have before me the resolutions of the Sydney Health Board, but I know that for some time they have been preoccupied by the problem of air pollution in that region. My officials have met with them in order to reassess the situation in Sydney. We have underway an epidemiological study involving the federal Department of National Health and Welfare and my own department, by which we are trying to establish whether there is a health hazard resulting from the air pollution. Once we get that report we will want to act to the extent the present legislation will allow us. We must first prove there is damage to health. However, with the recent passage of the Contaminants Act, and under other pieces of legislation and if I am able to come to grips with the problem of the provincial and federal jurisdictions, all levels of government should try to do something to solve that problem which is a very important one.

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HOUSING

LIMITED DIVIDEND PROJECTS—REQUEST FOR INVESTIGATION OF RENT INCREASES IN OTTAWA AREA

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs. It has to do with a question I asked him on December 1 to which the minister answered that he would agree to look into the circumstances surrounding rent increases which have been proposed on federally controlled low income housing units in the national capital area. Has he had an opportunity to make that investigation, and could he make a statement to the House in response to my question?

Hon. Barney Danson (Minister of State for Urban Affairs): I asked for information on this, Mr. Speaker, but I do not have the answer yet. Regrettably, I have been away in the last few days. It might be in my papers but I would rather give a comprehensive report.

Mr. Baker (Grenville-Carleton): During the course of that exchange I asked the Minister of Finance whether he would look into the position of CMHC in terms of federally financed low income housing units as an element of the control program, and the minister undertook to give an answer. Would he be kind enough to speak to his colleague to see whether he would be prepared also to give an answer specifically with respect to low income housing?

Mr. Danson: Yes, Mr. Speaker, I will look into both these questions.

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HEALTH

GOVERNMENT VIEW OF QUEBEC HYDRO RULING THAT HUSBANDS AND WIVES HAVE SEPARATE QUARTERS ON CAMPSITE

Mr. Bruce Halliday (Oxford): Mr. Speaker, in the absence of the Minister of National Health and Welfare may I direct a question to his parliamentary secretary. In view of the concern which the federal government should have for the general physical and mental wellbeing of Canadians, and in view of the widely accepted desire of Canadians to preserve the integrity of the family unit, does the government condone the action on the Quebec hydro site where husbands and wives are required to sleep in separate dwellings and, if it does not, what action is being taken?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the government has asked all Canadians to exercise restraint.

Some hon. Members: Oh, oh!

Mr. Kaplan: In the case of this particular restraint, the Quebec government is going further than the federal government is prepared to do.

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POST OFFICE

REQUEST FOR ESTIMATE OF NUMBER OF UNION MEMBERS DENIED RIGHT TO VOTE ON SETTLEMENT

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Postmaster General. Is he aware that during the recent postal strike a number of post offices did not receive strike ballots and a number of casual workers who were union members did not receive ballots? Does be know what number or what percentage of union people were not given the right to vote in the past strike?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, casuals are not members of the union but part-time workers are; they are in another category. I do not know how many were disenfranchised and frankly, if I may suggest it, I am not particularly interested. What I am interested in is the fact that they are all back at work and that from here on in we can have an active official post office and that the rank and file make certain that the collective agreement is respected by management and vice versa. In this way we will try to get around to delivering mail on time as we should.

POSSIBLE ESTABLISHMENT OF CRITERIA FOR STRIKE VOTES

Mr. Arnold Malone (Battle River): I think we all appreciate very much that they are back to work. Since one of the post offices which was not given the right to vote was a fairly large one from a community of about 5,000 people and I believe there were others, are criteria being set down by the government which would establish what constitutes an acceptable strike vote, so that unions cannot have the votes go in their own favour?

Hon. Bryce Mackasey (Postmaster General): In the short run those union members who were disenfranchised accidentally or intentionally have proper recourse under their constitution to stand up and be counted and to demand that the national executive tell them why they were accidentally or intentionally denied the right to vote. If they learn to exercise their rights under their own constitution, then the whole labour movement will not be tarnished unfairly by the actions of a very irresponsible few.

[Mr. Halliday.]

EXTERNAL AFFAIRS

ISRAELI RAID ON REFUGEE CAMP IN LEBANON—SUGGESTED CONVEYANCE OF GOVERNMENT VIEWS TO ISRAELI AMBASSADOR

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Acting Secretary of State for External Affairs and it is supplementary to the question asked by the hon. member for Hillsborough. Has the minister or the acting minister conveyed directly to the ambassador of Israel the views that the Acting Secretary of State for External Affairs expressed today on the air raid on Lebanon in which many civilians were killed and, if not, will he do so?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, I have not had an opportunity to convey these views. The Secretary of State for External Affairs is out of town and I know he has not done so. I shall bring to the attention of the ambassador the statement that I made in the House of Commons today.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR TABLING OF MODEL AGREEMENTS WITH PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, would the Acting Minister of Finance or his parliamentary secretary—if I may interrupt the whip for a minute—remind the Minister of Finance of his assurances to me made a week ago that he would be able, in the House or otherwise, to make available the model agreements which the government of Canada has put before the provinces with respect to the implementation of the anti-inflation bill? This assurance was given by the minister a week ago. I cannot understand why it takes so long to carry out his commitment that these model agreements would be tabled in the House or otherwise made available to us.

[*Translation*]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am sure the minister will answer by tabling the documents asked by the leader of the opposition as soon as he is back in this House. The first was available; the second was at the drafting stage. As soon as they are ready, we will be able to table them before the House.

ROUTINE PROCEEDINGS

[*English*]

FEDERAL-PROVINCIAL RELATIONS

TABLING OF CORRESPONDENCE CONCERNING FEDERAL DEVELOPMENT ASSISTANCE TO SASKATCHEWAN

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, under Standing Order 41(2) I should like to table, in both official languages, correspondence between myself

and the Premier of Saskatchewan concerning federal development assistance to the province.

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● (1200)

INDUSTRIAL INQUIRY COMMISSION

TABLING OF REPORT ON GRAIN HANDLING INDUSTRY IN VANCOUVER

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I wish to table copies of the report of the Industrial Inquiry Commission, established pursuant to part V of the Canada Labour Code, to inquire into the grain handling industry in the Vancouver port area.

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[*Translation*]

CRIMINAL CODE

AMENDMENT TO LEGALIZE OFF-TRACK BETTING

Mr. Fernand E. Leblanc (Laurier) moved for leave to introduce Bill C-419, entitled "An Act to amend the Criminal Code (off-track betting)".

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, my main, essential and urgent purpose in introducing this bill for the third time since 1967 is to provide the province of Quebec, without any disbursement on the part of the federal government, therefore from the taxpayers of the ten provinces, a new source of income to finance the deficit of the Olympics. Moreover, the bill would strike a severe blow to the Canadian and international underworld by removing the illegality of off-track betting. Finally, all provinces could benefit, if they so wished, of such an amendment to the Criminal Code.

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

[*English*]

Mr. Whelan: Mr. Speaker, I understand that after I left the House yesterday, the hon. member for St. John's East (Mr. McGrath) said he intended to raise a question of privilege because he said I had misled the House. I wish to say, as briefly as I can, that in my answer to the hon. member I did not promise to give him any information. However, whenever I have promised hon. members that we would check our records, we have followed it up as quickly as possible. In all instances we have done this. But I cannot report upon something until it has been determined. I did say to the hon. member yesterday that I would inform him, and that anything we were doing was public information, as far as I was concerned.

I did meet with the National Farm Products Marketing Council on Tuesday, November 25, and I did ask the council to report back to me after its consideration of the change in egg prices. Although I have not received a written reply from the council, I am pleased to report to the House that the review officers of the council, who automatically monitor the cost-price factor formula,

advised me by telephone that they were satisfied a price increase was justified for some time prior to its actual implementation, but following the pricing formula they use, this price can fluctuate either up or down. As was pointed out earlier today in the House, the price of eggs is down one cent a dozen as of this morning. That is because of input costs, and that formula is being followed properly.

The formula is available for anyone to scrutinize at any time. It is stricter than we are imposing on anybody else under the anti-inflation program, and has been in force since last July. I do not know if the hon. member meant to do what he did, but he has created an incorrect impression by the very fact that he is reported in the press today as saying that "Whelan misled the House". As far as I am concerned, if there is anything I am not guilty of, it is of trying to mislead the House on anything.

Some hon. Members: Hear, hear!

Mr. Stanfield: Oh, oh!

Mr. Whelan: If there is anything going for this minister just a little bit, it is that he is trying to do his damndest to be honest about everything he does.

Some hon. Member: Hear, hear!

Mr. McGrath: Mr. Speaker, the minister has used the guise of a question of privilege to bootleg a statement into the House which should have been made on motions.

Mr. Blais: What did you do yesterday?

Mr. McGrath: I merely want to say that the record speaks for itself. On November 25 I asked the Minister of Agriculture (Mr. Whelan) what he was doing about the complaint which had been raised by the Anti-Inflation Board with respect to increases in the price of eggs by CEMA which, in the opinion of the board, could not be justified in light of decreases in the price of feed gain. The minister replied on November 25 as follows:

I am meeting with the Farm Products Marketing Council later this day to discuss that matter.

That was on November 25. Yesterday, in reply to the question I raised, the minister said he was meeting with them and that the meeting was a continuing thing. All I want to show is that the minister made the statement on November 25, that he was meeting with them, and surely it should not have taken him ten days to discuss this matter.

Mr. Speaker: Order, please. The Minister of Agriculture (Mr. Whelan) raised, as has been appropriately put a disagreement, under the guise of a question of privilege. The hon. member for St. John's East (Mr. McGrath) indicated yesterday his intention to raise a similar kind of question of privilege. In any case, I am sure both hon. members will recognize at once that the matter is one of dispute and disagreement between them and does not fall within the classic definition of a question of privilege.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,149, 3,303, 3,468, 3,483, 3,499, 3,518, 3,567, 3,571, 3,572 and 3,590.

[*Text*]

CRIMINALS CONVICTED OF CAPITAL MURDER WHO HAVE COMMITTED ANOTHER MURDER

Question No. 3,149—**Mr. Caouette (Villeneuve):**

1. How many criminals convicted of capital murder have committed another murder during the years (a) 1930-40 (b) 1941-50 (c) 1951-60 (d) 1961-70 (e) 1971-75?

2. In each case was the second offence committed (a) during escape (b) on parole (c) upon completion of sentence (d) others?

Hon. Warren Allmand (Solicitor General): 1. (a) None; (b) one, executed in 1944; (c) None; (d) one, second murder (two counts) committed in U.S.A., commuted; (e) None.

2. (a) None; (b) Yes—1(b); (c) None; (d) Yes—1(d) second murder committed after escape from British Columbia Penitentiary.

STATEMENTS ATTRIBUTED TO PANARCTIC OIL

Question No. 3,303—**Mr. Forrestall:**

1. Is the Minister of Regional Economic Expansion aware of the statements in the press attributed to the President of Panarctic Oil during the week of October 20 to 24, 1975 indicating the possibility that Panarctic Oil will purchase three Scandanavian crude oil tankers for transport of Arctic oil to market should that be feasible?

2. Is the Minister aware of the extent of participation in Panarctic Oil by the government and its agents and, if so, to what extent is this participation?

3. Has the Minister examined the implications of going outside Canada for such vessels in terms of the long-term viability and health of the Canadian ship-building industry and trade balance and (a) if so, what conclusions have been reached (b) if not, for what reason?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Certain Canadian newspapers published, during the week of October 20, 1975 to October 24, 1975, articles referring to discoveries of oil on Cameron Island by Panarctic Oils, Ltd. of Calgary. These articles made cursory mention of the problems of transporting crude oil from this most remote location to refineries in developed areas and included a brief reference to preliminary discussions between Panarctic and Scandinavian shipbuilders for the supply of suitable vessels.

2. The Canadian Government is an equity participant in Panarctic Oils Ltd. holding 45% of the issued and outstanding common shares. No preferred shares are outstanding.

3. The Advisory Committee on Industrial Benefits from Natural Resource Development will meet with executives of Panarctic Oils Ltd. in the very near future to discuss the implications of the oil discovery and related topics including the issues surrounding the transportation of crude oil to refineries. Conclusions have not been reached concerning the implications of purchasing tankers from shipyards not located in Canada because the required process of analysis and consultation, of which the aforementioned meeting will be a part, has not been completed. But, as the work proceeds, the welfare of the Canadian economy will be the basic consideration.

[Mr. Speaker.]

BELL CANADA

Question No. 3,468—**Mr. Foster:**

1. Does the Canadian Transport Commission monitor the undertakings which telephone utilities, such as Bell Canada, give when they apply for rate increases to ensure that these undertakings are carried out and, if so, how is this monitoring carried out?

2. Can a subscriber or a municipality, on behalf of the ratepayers, cause an enquiry or hearing to be held, or other action taken, where they feel that Bell Canada has not carried out the instructions of the Canadian Transport Commission to improve service in a specific area?

3. Under what circumstances will the Canadian Transport Commission hold hearings in localities outside Ottawa?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): The Canadian Transport Commission advises as follows: 1. Applications from telephone utilities, such as Bell Canada, for approval of increases in rates and charges are not predicated upon undertakings but upon revenue needs and the justness and reasonableness of rates required to meet them. For example, the construction program forecast by the applicant is one of the elements to be considered in relation to revenue needs, but such forecast does not constitute an undertaking.

2. The Telecommunication Committee of the Canadian Transport Commission does not give instructions with respect to service improvements in specific areas but the Commission uses its good offices to deal with specific problems as they arise.

3. All committees of the Commission hold hearings outside Ottawa from time to time; the matter is within the discretion of the Commission and would depend upon the circumstances of each specific case.

FARM CREDIT CORPORATION LOAN APPLICATIONS—CONSTITUENCY OF SASKATOON

Question No. 3,483—**Mr. Hnatyshyn:**

How many applications were received from the Constituency of Saskatoon-Biggar for loans under the Farm Credit Act for the year 1974 and the first six months of 1975 (a) how many were approved (b) what amount was involved (c) what percentage of loans were or are in default?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises that statistics are not maintained on a constituency basis. However, for Rural Municipalities 315, 316, 344, 345, 347, 373, 376, 403, 404, 405, 406, 434, 436 and 466, which closely approximate the constituency of Saskatoon-Biggar, the answer is as follows:

		(a)	(b)	(c)
	Applications	Approvals	Amount	Per cent of Loans in Default
		Number	$	
1974-75	145	145	6,646,300	4.8
1975-76 (to September 30, 1975)	117	111	7,022,900	6.4

PUBLIC UTILITIES INCOME TAX TRANSFER ACT

Question No. 3,499—**Mr. Fortin:**

1. Does the government intend to submit telephone companies to the Public Utilities Income Tax Transfer Act?

2. Did any province ask for such a transfer and, if so, which ones?

Hon. Donald S. Macdonald (Minister of Finance): 1. The government does not intend to submit telephone companies to the Public Utilities Income Tax Transfer Act.

2. None of the provinces has asked for such a transfer.

MILLHAVEN PENITENTIARY—INCIDENT ON NOVEMBER 3, 1975

Question No. 3,518—**Mr. Cossitt:**

1. Did any form of uprising or trouble occur at Millhaven Penitentiary on Monday, November 3, 1975 and, if so, what are the details including the (a) use of tear gas in the Segregation Wing (b) reasons for the suspension of Mr. Earl Oliver, a twenty year correctional officer in charge at the time?

2. Was there a threatened walk-out of the staff to take place at midnight Tuesday, November 4, 1975, as a result of Mr. Oliver's suspension or any other aspects of the situation and, if so, what are the details?

3. Did the day staff on Wednesday, November 5, 1975, show up for duty in its entirety and, if not (a) for what reasons (b) were the food and exercise areas the only areas available to the inmates?

4. Has the government disclosed any details of this incident and, if not, for what reason?

Hon. Warren Allmand (Solicitor General): 1. Yes. A number of inmates in the segregation area of the Millhaven Institution created a disturbance by yelling and by kicking and banging cell doors. Tear gas was used in order to subdue to inmates. Mr. Oliver authorized the use of tear gas in order to pacify the rebelling inmates. Mr. Oliver was suspended from duty for non-conforming to institutional standing orders in the use of gas. Disciplinary charges have been laid against Mr. Oliver and will be dealt with in accordance with normal procedures.

2. No. However, there was a withdrawal of overtime services by the custodial staff.

3. The regular scheduled staff members reported for duty on November 5, 1975. However, due to the withdrawal of overtime services, it was impossible to man all posts. All institutional areas were available to inmates except the industrial workshops.

4. General factual information relating to this incident was provided on a regional and national basis upon request by the media.

ARCTIC AIR FACILITIES PROGRAM

Question No. 3,567—**Mr. Murta:**

1. (a) What is the Arctic air facilities programme (b) are the monies in the programme to be used solely to upgrade existing Arctic airstrips (c) how large is its funding and will the amount be increased in the future (d) how long is its duration and will the programme be extended?

2. What criteria were used in choosing which airstrips would be upgraded?

3. Have the airstrips at Grise Fiord and Arctic Bay received any aid from the programme, and (a) if so (i) how much (ii) for what purpose (b) if not, for what reason?

Order Paper Questions

Hon. Otto E. Lang (Minister of Transport): 1. (a) The Arctic Air Facilities Program is a multi-year program being implemented by Transport Canada to enable the operation of regular, reliable air services to communities in the North, particularly those which are dependent on the air mode for regular transportation services. (b) The monies in the program are being used both to upgrade existing Arctic airstrips and to construct new airstrips and other transportation facilities. (c) In the first year of the program (1974/75), the expenditures totalled $5,630,000. The annual amount now exceeds $10 million and expenditures in subsequent years will depend on the availability of financial and human resources. (d) The program will continue until the airstips meet the minimum standards required to enable the operation of regular, reliable air services.

2. All airstrips serving communities with a population of 100 or more and with no other means of regular transportation will be upgraded to the minimum standard required to enable the operation of regular, reliable air transportation services.

3. Grise Fiord and Arctic Bay—No upgrading of these airstrips has yet been undertaken under the program. Due to the nature of the terrain surrounding the airstrips, projects have not yet been identified which would improve the regularity and reliability of air services to these communities. This matter is under study, and should improvements be identified which would enable the safe operation of regular air service, they would be considered on a high priority basis. However, with respect to Arctic Bay, it is currently planned that this community will eventually be connected by road to the new airport under construction at Strathcona Sound.

GROSS REVENUE OF SKY SHOP EXPORTS LTD.

Question No. 3,571—**Mr. MacKay:**

For each year since 1964 (a) what were the gross revenues of the duty-free shop at Dorval Airport operated by Sky Shop Exports Limited as reported to the government (b) how much revenue accrued to the government from this operation under the terms and conditions of Sky Shops' lease with the Department of Transport?

Hon. Otto E. Lang (Minister of Transport): For the fiscal years ending March 31, the company's gross revenue and rent paid are as follows:

	Gross Revenue	Rent
1965	$ 29,336	$15,000 (1)
1966	66,556	15,000 (1)
1967	218,650	15,000 (1)
1968	692,303	23,563
1969	905,931	44,015
1970	1,170,067	58,504
1971	1,371,002	68,451
1972	2,036,870	101,843
1973	3,308,860	297,073
1974	4,316,609	388,499
1975	5,134,891	434,825

(1) guaranteed annual minimum.

Under the terms of its lease, Sky Shops pays the greater of:
(1) a percentage of its gross revenue, or
(2) a guaranteed annual minimum.

Order Paper Questions

MEMBERS OF FARM CREDIT APPEALS BOARD, ATLANTIC REGION

Question No. 3,572—**Mr. Marshall:**

What are the names and address of members of the Farm Credit Appeals Board in the Atlantic Region?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises as follows: Jones, Charles, RR 1, Charlottetown, Queens County, PEI; Yeo, Charles, St. Eleanor's, Prince County, PEI; Mackenzie, Wilbert, Vernon River, Queens County, PEI; Bridges, Sidney, Sheffield, Sunbury County, NB; Hannington, Albert G, RR 1, Dorchester Crossing, Westmorland County, NB; Ouellette, Leo, RR 2, Grand Falls, Victoria County, NB; Fisher, Garnet, Shinimicas, Cumberland County, NS; Woodman, Gordon, Grand Pre, Kings County, NS; Rhodenizer, Robert, RR 1, Barss Corner, Lunenburg County, NS.

BUDGET CUTBACK OF $4 MILLION FOR VIP PROTECTIONS

Question No. 3,590—**Mr. Reynolds:**

With reference to the answer to Question No. 3,170, could the Solicitor General advise which VIP groups or individuals will not be protected because of the budget cutback of $4 million for VIP protections?

Hon. Warren Allmand (Solicitor General): Nil.

[*English*]

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

Mr. Beatty: Mr. Speaker, I should like to bring to the attention of the parliamentary secretary question No. 3577 standing in my name. It is a question about which we had some discussions a matter of months ago before it was entered on the order paper. Although I appreciate the fact that it is a long question and will require quite a lengthy reply, I wonder whether the parliamentary secretary can give some indication as to when the government will be prepared to answer it.

Mr. Blais: Mr. Speaker, I have no information at this time. I will provide it for the hon. member by Monday.

[Mr. Lang.]

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT AND CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AUTHORIZATION FOR CMHC TO MAKE INTEREST REDUCTION GRANTS, CASH GRANTS, ETC., TO ENCOURAGE HOUSE CONSTRUCTION

The House resumed, from Thursday, December 4, consideration of the motion of Mr. Sharp (for the Minister of State for Urban Affairs) that Bill C-77, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I do not intend to speak for very long, but I think it is necessary to point out that this legislation, like a lot of other legislation that is brought into the House, will not do much to solve the problem it is supposed to solve. I mentioned last night that we would have a much better housing system if we had originally established CMHC as an agency to build one class of house for those who cannot raise money in any other way. If over the years we had had a revolving fund, the payments made to CMHC would have been available to be reinvested. I am thinking about the system we follow with regard to the banks. We keep reserves in relation to the amount of lending which can take place somewhere in the range of one to eight: for every $1 deposited, the banks lend $8. It seems to me that this system could be followed with Central Mortgage and Housing Corporation if we used the payments as a revolving fund rather than coming back to parliament every few months for a change in policy and a new direction.

● (1210)

Mr. Speaker, we are not building houses in Canada. We have a surplus of lumber and a surplus of building materials. There is a very high rate of unemployment in the construction industry. Despite this, a large number of Canadians are looking for houses that they can afford. Maybe Central Mortgage and Housing Corporation should be buying land themselves. We should be establishing federal municipalities, if necessary, and constructing housing for Canadians.

I am always amazed at how quickly this government hides behind the constitution and the responsibility of the provinces. But when it came to the anti-inflation legislation, they did not bother about the constitution at all but decided the provinces could go along with them or stay out. They should be doing that with housing. We work out all kinds of arrangements with the provinces, and most citizens are not even aware that the federal government is involved; they think the schemes are provincial but are financed by the federal government through CMHC.

For some time, veterans' housing was separate. Recently, when the Veterans Land Act was ended, we were told that veterans would have special privileges under the national housing scheme. Only two veterans have taken advantage of the special arrangements, and approximately 50 have taken advantage of the AHOP program. The veterans obvi-

ously do not believe they are receiving preferential treatment from the national housing authority.

The government has participated with the provinces in a very cheap housing program—HOME. I should like to know where the inspectors of Central Mortgage and Housing Corporation are when it comes to maintaining the high standards of the corporation. I know of housing built under the program where you could not only look outside the house from inside, but from outside you could see inside without looking through the doors or windows. In my opinion, that kind of housing should be condemned. It does not meet any standard of construction; it cannot be heated properly and will not last very long.

Central Mortgage and Housing Corporation sets reasonable standards and if a contractor wants his house inspected it is done, but it is not easy for an individual who may have to wait as long as a month. Even banks have a great deal of trouble. I am always getting calls from them about their difficulties. In my area, however, I do not see any difficulty for the big contractors in getting inspectors to come in. They play footsy with each other. I can tell you of some terrible housing that is built and of disasters where large corporations are involved. Hedman is a good example. A major construction company in Timmins is building houses that should never be approved because they are unsafe in several respects.

There are many houses in Ottawa, where large corporations are involved, below the standards of Central Mortgage and Housing. In my opinion the head of Central Mortgage and Housing has built some houses that are dangerous and detrimental to the housing industry. Houses with aluminium wiring are potential death traps: in Ottawa, seven or eight fires have been directly attributed to it. I remember an instance last spring where the wiring was responsible for the death of a young girl. It should have been known that that type of wiring was causing considerable difficulty.

Central Mortgage and Housing is also approving trailers. One person I spoke to who lives in a trailer told me that you can feel along the wall and find it warm when the aluminium wiring gets hot. But people buying houses with aluminum wiring are not warned of the danger. I spoke to a government official who indicated that they had not been able to prove that aluminium wiring was unsatisfactory. When I asked if he would live in a house with aluminium wiring, he said, "Certainly not; it is dangerous." So it is not dangerous from a scientific point of view, and it is not dangerous according to the regulations the minister has put out, but it is dangerous for anyone who knows anything about it.

Housing standards are not enforced and in many cases we have agreed with the provinces to build substandard housing. My last point is that this minister is worse than any of the others we have had when it comes to changing the regulations and the subsidies for housing. In fact, only the real estate people can keep up to him. They are the only ones who can advise buyers and builders of all the advantages. Even the banks are having trouble in training their employees to understand the advantages of the current program, because it will be in effect only a few months before it is changed again. Any program that changes as often as the housing program cannot be good because most Canadians cannot take advantage of even the small advantages offered.

We are bribing the industry with subsidies. We are carrying on a policy of subsidizing the corporate bums, the large corporations that are building housing in this country. The result is that mostly expensive housing and shopping centres are being built because they bring greater returns. Other departments of governments are also to blame because the government ends up renting out accommodation that it cannot use. Mr. Speaker, Central Mortgage and Housing should not be providing assistance for building office space and shopping centres when in many cases there is a surplus of that kind of accommodation.

In parliament we are all aware that Parkinson's law is the guiding law of government. You build it, you create it, and you will use it. We have certainly done that in Ottawa and Hull with regard to office space. We have spent a great deal of money to provide unnecessary accommodation which obviously will have to be filled simply because it is there. This is lousy legislation, Mr. Speaker. The minister should sit down for a while instead of gadding about the country making speeches: he should look at some of the studies done in the past five or six years, none of which has been given any consideration, because every time a problem develops a new study is dreamed up.

There is a great need in this country for low-cost housing. If the minister considers the problem he will realize that to a large extent the banks subsidize the building of the low-cost housing that we need. If we are to meet our goals in housing we may have to control the banking industry, perhaps even nationalize it, to make sure that money is available for low-cost housing. That is where the need exists. The need is not so great in the case of middle-incomer earners. We need more housing for the poor and the banks must provide the money at low interest rates.

● (1220)

Finally, I suggest that when borrowers repay money to Central Mortgage and Housing the government should leave it there; in other words, the corporation should be empowered to lend again to other borrowers. This business of the government making available every so often a few hundred million dollars for housing is nothing but a gimmick. With every new program the ground rules are changed and people become confused. Would it not be better to let Central Mortgage and Housing retain repaid funds and lend them again? Instead of introducing new programs every so often, the government ought to embark on a long-range program of which people can be aware. Canadians should know today what will be available later in housing programs. The government ought to consider the Hellyer report and produce a white paper showing its long-range plans for housing.

The government must change its approach to housing. You cannot treat houses as you treat cars. People are being encouraged to buy cars before the end of the year because the Ontario government removed the sales tax on them until the year-end. They will reimpose it next year. Consequently, people are being pressured to buy cars. Buy now and save, they are told.

The minister tried to do much the same thing with housing. The house buyer who bought before a certain time

was to get a federal grant of $500. If he delayed buying, he would lose the grant. That is not the way to go about it. I suggest, therefore, that there is something wrong with the government's housing program. The government should explain to the average Canadian—not to the construction industry and not necessarily to the House of Commons—its housing program so that the average man will know which aspect of it will give him the greatest advantage. I think the government is obligated to do this.

If the minister is interested in solving the housing problems of our low-income people and is not merely interested in playing politics, he should work out a long-term program and explain it to the people. Since being appointed to his portfolio he has brought in three housing bills, not one of which, so far as I can see, has been worth supporting.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I welcome the minister back to the House after his trip to Vancouver, and indicate that I support the difficult position he had to take with regard to the holding of the conference in that city.

Some hon. Members: Hear, hear!

Mr. Saltsman: Over the years, the government has been justifiably criticized for its so-called housing policy. As the Economic Council of Canada suggested, the government has treated housing policy as a sort of filler, in the same way as newspapers include fillers when their stories are shorter than anticipated. But this filler, this policy, has been used to stimulate the economy. As my colleague from Broadview (Mr. Gilbert) said, this program is nothing but shadow-boxing. It is a political program.

Of course people want a house of their own. Therefore, housing programs have always been political programs. I am not against political things except when they involve something as important as housing. In housing there must be a policy, and we have seen no policy. Of course, at election times housing policy becomes part of the government's program. It tells people what it will do to encourage home building and it says, "We will put money into such programs." And not only this government has said that. I do not say this government is exclusively to blame in that regard. However, it seems that the federal government's housing policy—and I include the policies of some provinces—has consisted of gimmickry rather than any attempt to come to grips with our needs. An adequate housing policy has not been established. The minister may say that this kind of gimmickry has been successful and that it has worked, although it has not always. That is hardly justification to those who are serious about solving the severe housing problem in Canada. When I speak of a severe housing problem, I do not mean that most Canadians are ill-housed or suffer from housing problems. Most Canadians do not suffer from housing problems and therein lies the great difficulty of determining what is a good housing program.

About two years ago I did a survey in my constituency. I asked my constituents, "Are you adequately housed or are you experiencing a housing problem?" About 90 per cent of the people replied that they were not experiencing any housing difficulties. One woman said, "Yes, I have a housing problem. His name is Richard." Nevertheless, a significant group in this country is suffering from serious housing difficulties. The parliamentary secretary, who I presume delivered the speech on behalf of the minister, defined them as the ill, the poor and the elderly. I wish the people who write these marvellous speeches were responsible for implementing policy, because invariably we run into a non-sequitur. On the one hand we see definitions and an outline of what must be done, while on the other the proposals put forward in no way meet the need defined.

What will be the effect of the present proposal? This business of encouraging home ownership has increased the cost of every home in this country. Every time the government subsidizes people and allows them to acquire property, it makes more money available for bidding up the price of housing. We have seen this happen over and over again. The government has subsidized a small segment of the Canadian population but not that segment which is most in need.

Home owners have derived great capital advantage from the government's program which has forced up the price of houses. Presumably, that is one reason why it is so difficult to introduce an adequate housing policy in this country. Most people have a vested interest in seeing the price of houses rise. Most home owners look after their property, and although most say they deplore the sharp rise in house prices they are content to note how much their personal wealth has increased as a consequence of government programs. Certainly, that has been the effect of these programs.

You can see this sort of thing happening in other areas. For instance, consider government programs designed to encourage young people to buy farms. Every time we make credit easier we force up the price of farms. The same thing applies to housing. Every time the government introduces a program for encouraging people to buy housing, whether by giving a $500 federal grant on top of the $1,500 Ontario grant or any other method, the end result is that house prices rise. Is this what the government wants? Is this what the minister wants? If so, let him say so. That is one of the great consequences of what he is doing.

• (1230)

Let us discuss home ownership. There has been a terrible tendency to equate home ownership with living accommodation as though they are exactly the same. Obviously, home ownership and living accommodation have a relationship. One of the main reasons people buy homes is to have accommodation for themselves. What is often overlooked, or certainly is not stated, is that home ownership is more than just accommodation. Home ownership is a method of investment. What the government is doing is being very partial to a group of investors. That is what is really involved.

The government is creating two classes of citizens in this country, those who own and those who must rent accommodation. All the advantages are in favour of those who own. They are subsidized in the purchase of their home and in some cases are sustained in the payment of their mortgages. They receive benefits under the Income Tax Act, in contrast to those who have to rent. Is this the kind of society we want, where one group of people who are

fortunate to have surplus income and are able to save some money receive advantages on top of that?

The hon. member for Broadview documented the effect of some government programs such as registered retirement savings plans and things of that kind. We go beyond subsidizing and there is a tremendous amount of dissatisfaction engendered among those who do not receive any benefit. When the $500 grant came in I received many bitter complaints. People were asking if they were eligible for the grant with respect to houses they had bought two months earlier. I had to tell them they were not eligible unless they had purchased after a certain date.

How fair is a program that on an arbitrary basis, or depending on the political whims of the government, provides great capital benefit to some Canadians but not to others? The minister may say, in his defence, that we need to stimulate employment and this can be done by providing an increased housing stock, something that is badly needed. This has been said by various ministers over the years. Surely there are better ways of doing this than the subsidization programs the government now has.

It almost looks as though the Liberal party commissions the MacLaren Advertising Company to determine which group will have to be pleased in the next election. That company comes up with a target group. It may be young married swingers looking to do certain things. The company then tells the government what kind of program they must design in order to satisfy the target group. The poor are never a target group because they do not vote to the same extent as other people. So why bother pleasing them? They may have the greatest needs, but they are not as great a political force. Therefore, programs are not designed to please them. Programs are designed for the middle-class group. They please those who can be expected to be grateful to the government for bringing in measures of this type. They do not come to grips with the serious problems of the 5 per cent or 10 per cent of the population completely outside the housing market.

This minister has an opportunity of doing what others in that ministry have not done, that is, to deal with the housing problem in this country. For most people, the private housing market can take care of their needs. However, there is a group which the market can never take care of; therefore, their needs must be met. They cannot be adequately met by the gimmickry of a $500 bonus, the AHOP program or other forms of subsidization: if they do help, it is only at a marginal, accidental and incidental level.

We should look at the figures to see who really needs housing. Who is really in trouble with regard to housing? As the minister has said, it is the aged. We should be doing more with regard to housing for senior citizens. I should point out that our record in senior citizens' housing is not all that bad; it has been one of the finest programs on which this country has ever embarked. If you live in an area where the municipality has been farsighted enough to take advantage of the provisions for building senior citizens' housing, you will find senior citizens who are managing well on their old age pension. However, this is only because they have adequate housing at their disposal. Where there is good public housing available, in many cases senior citizens do better on retirement than they did during their working lives. Where that housing is not available, senior citizens just cannot manage. That has to be a top priority. We are so close to solving this problem that to relax with regard to it now would be criminal. That is one program that should be expanded.

In my own area of Waterloo-Cambridge there is a program that has been very successful. Frankly, without public housing I do not know where families with children would live. Who is in desperate need? Young people have no need. Single people do not have a housing problem unless they so choose. Young married couples in good health do not have a housing problem. They may have a problem of choice, but there is no real housing problem for them anywhere in Canada. Those who have a housing problem are those who have children. The problem is getting worse every year. A recent ruling by the province provides that if an apartment owner in the city of Toronto wants to exclude children and rent to adults only, that is fine. What happens in that situation?

You can understand older people who want peace and quiet, or swingers who do not want children getting in their way, having this self-centred attitude. But what about public responsibility? Where do people with children go? If you have three or four children you cannot find rental accommodation. If you have a lot of money you do not have to worry because you can purchase a home. However, for those with children who have to rent, without public housing they would end up on the street. This is one program that should be expanded. The minister may say that the budget has been increased slightly, but the evidence is otherwise.

The hon. member for Broadview documented the sharp decline in the percentage of aid being directed to public housing as against that being directed to other areas. I suggest we should get out of the AHOP program. In fact, the whole program of subsidizing ownership should be discarded in favour of providing the money for public housing. That is the serious problem. I agree that it is a little easier for people to buy housing with a subsidy, but what is desperately needed is housing for families with children. There is no sense in saying that they should not have had children; the children are here. This is not the time to moralize or to say they should not have done it; the children are here and have to be looked after.

There are many advantages to public housing. It does not have to be bad. I can tell the minister that public housing in my area is good. It is some of the best housing in my area. I am delighted to say that. I know it is not always like that, because some public housing should never have been built. The public housing in my area was planned intelligently. It was done years ago. We did not have to deal with neighbourhood groups who seem to have a vested interest against public housing. I have in mind groups who want to be protected against the sight of children, or perhaps against the sight of the poor. In fact, they are probably one of the most reactionary elements in our society, all in the name of neighbourhood control and participatory democracy. They are the ones I used to fight years ago because I tried to build a sidewalk and they would not let us go through their nice lawns.

● (1240)

That question aside, the point is the government has some measure of control. The government says that is up to the municipality, it is up to the province. Admittedly, they are the ones who have to make the final decisions on zoning, and so on. But the government has a great deal of clout with the mortgage money at its disposal, with the assistance it is prepared to offer municipalities. The government can say that unless municipalities pursue intelligent policies like making provision for families with children, there will be no money going into the area. This is a tough stand to take, but the government has a responsibility, particularly since it is involved in things like immigration and mobility problems. They say, "All right; we have an immigration policy, but what happens to an immigrant once he hits the city is of no concern to us." There isn't any housing, or he tries to compete with those who have been there a long time and all kinds of ill will develop because there is a shortage of housing. It is said that if competition exists, that is not our responsibility but a municipal responsibility.

If we have a mobility program that moves people from the coast to central Canada, it is said that is not our problem: once we provide a mobility grant, it is no concern of ours. You cannot have these federal programs, you cannot have an immigration policy or a mobility policy without at the same time making provision to house the people affected by those policies. That is why these policies fail. It is because we don't make these provisions. There was a time, a couple of years ago—there aren't any jobs now, anyway—when there was a lot of work in Toronto, a lot of work in northern Ontario and other parts of Canada, and people were trying to encourage migration from high unemployment areas to low unemployment areas. But people weren't moving, and the reason they were not moving was that they had nowhere to live when they moved. This is what a housing policy should really be trying to deal with.

I do not understand the government's mathematics in saying we are trying to encourage the private developer, or we are going to provide some assistance or some encouragement for professionals to invest in apartment construction in order to get more construction, as though that doesn't cost money. I presume the government would say, "We do not have the funds," or, "We cannot raise the funds." But that is really a camouflage. It is coming out of the public treasury when you subsidize somebody or allow them to write off their losses on one activity against their income from another. That is just as direct a cost to the government and Canadian taxpayers as it is to go out and raise the funds directly and charge them the tax they should have been paying.

We went through this business with the white paper. One of the provisions of the white paper on taxation, one of the progressive things it did and one of the things it corrected in our tax system, was that it prevented people writing off the losses of one apartment building against the profits of another. People have accumulated millions of dollars in capital assets because they have never paid a cent in taxes by using this route. We got rid of that measure only to have it come in the back door now. The government is acknowledging its own failure by saying, "The builders were right when they told us, if you close this tax loophole you will not get the construction we were giving you before." So the government has backed away from its position in the white paper, something it never should have done, and it is now allowing this other method for investors to get into the business.

You do not need that kind of private investor when you are dealing with the kind of problems I have outlined, the problems of the old and those of the families. When the great socialist millenium comes, perhaps we will have housing as a public utility: we will have the right to housing, the right to accommodation accepted in the same way as we accept the right to medical attention, to hospital services and to the old age pension. But we are some distance away from that. Therefore, like many other things we have to deal with the most urgent problem, and the most urgent of our problems is public housing for families with children. If we do not do this, I just don't know where they are going to find rental accommodation or housing. That has to be the target area of any government proposal. For most Canadians the minister can take his euphoric position that we are one of the best housed people in the world. That is true for most Canadians. But for some Canadians it is shocking and shameful that these policies are directed toward providing benefits for the middle classes and to those who are already reasonably well off, rather than dealing directly with the problems of the poor.

If the minister is really interested in helping the poor—and I think he is—another area he has to explore, if he does not want these subsidies, if he does not want public housing, if he wants to do it some other way, is to provide more income to people with housing needs, people with family responsibilities and obligations whose talents, skills or vocational positions do not permit them to obtain adequate housing. That can be done through family allowances. We could have a housing grant go out through the family allowance program, providing a sum of money to assist people go into the private market in order to buy houses, because that is where the problem is.

If the minister doesn't want to go one route of providing more public housing, then surely he has to admit the failure of his program to help the poor and advise his cabinet colleagues to do something with the family allowance scheme or some income supplement scheme. Otherwise, no one can really commend either his work or the work of his predecessors in doing anything about housing. We are so close to coming up with an intelligent housing policy—we have solved so many problems in this country—that to stop short at this time and play political games with housing, gimmick after gimmick, depending on the political whims of the time, is really unforgiveable.

I want to return to something I started to say earlier. Housing or home ownership is more than accommodation; it is a form of investment. When the minister says that no one should have to pay 25 per cent of their income for accommodation, I don't think he is correct. Private home ownership for people, unless they have children—I am talking about people who do not have families—is an investment choice, it is not just a housing choice. If all they want is housing, there is a great deal of housing and good rental accommodation around. But they have decided they do not want to go that route. They want to be a home

owner. Then they are investing and they have to be considered as investors. They should not be supplemented. The government does all kinds of things to help investors in this country; but is it correct, when you have severe housing problems for some of our people, to go around augmenting the wealth of those who are already reasonably well off? This is really the effect of many of these programs.

The minister may want to take a few minutes at this point to reply to some of the things that have been said in the debate; therefore I shall conclude, but not because I have said everything I wanted to say. There is one thing I want the minister to look at because I consider him to be an intelligent and sensitive man; I should like him to look at the kind of mess he has inherited and is perpetuating.

● (1250)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the closing minutes of the debate—because I think the matter should proceed now—I wish to say something to the minister concerning two matters which I consider to be important. The hon. member for Waterloo-Cambridge (Mr. Saltsman) mentioned that housing is an investment and that it is wrong for the government to subsidize this kind of thing. I think there is some merit in that argument.

I hope the minister will consider that in order to make housing less attractive as an investment and more attractive regarding what it is intended to be, a roof over one's head and over one's family, there is a duty on all governments—not just this government but provincial and municipal governments—to ensure there is a greater supply of serviced land. This shortage is creating to a great degree the conditions about which the hon. member for Waterloo-Cambridge is concerned and which concern us all, not only in this House of Commons but in the country, who are home owners and who look at the acceleration of the price of property and realize that in terms of housing the acceleration of value has been unconscionable. I suggest that the importance of a program with regard to serviced land and its availability cannot be over emphasized.

One other matter I should like the minister to consider, as we look at this question as an ongoing consideration in this country, is the dreadful tendency in Canada to live in our large cities. There is a new concept in the legislation. There is a certain viability and a certain quality of life available in the smaller communities, and I hope the minister will use the powers he has, limited as they are in the constitutional sense but large in the moral sense, to encourage housing development around existing smaller towns. I think this is important not only for the provision of housing but, as well, for the social fabric of our community. I think we have forgotten about this in Canada. There is still time in our country, but that time is running short having regard to the projection of statistics.

I just wished to bring those two matters to the attention of the government. We are not just building boxes for people to live in, but we are playing with the social fabric of our country. The minister's program today, his programs of the future and the programs of future governments must be looked at from the point of view of their social attributes as well as the provision of four walls and a roof.

Mr. Deputy Speaker: Before I recognize the minister I must inform hon. members that, pursuant to Standing Order 37(2), if the minister speaks now he will close the debate.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, first I should all like to apologize for not having been in the House when this debate commenced. I am grateful to my parliamentary secretary who spoke on my behalf. I have been following the transcripts of the debate and the contributions of various members. I am especially grateful to those hon. members. I made arrangements for the parliamentary secretary to speak on my behalf only after speaking to the leaders of the opposition parties and the spokesmen, in this area, for those parties. They understood the necessity and the urgency of my being away and they supported me on this very important subject. It is important, I think, nationally and internationally in relation to the United Nations Conference on Human Settlements to be held in Vancouver next year.

I appreciate the support of the hon. member for Waterloo-Cambridge (Mr. Saltsman) in this regard. I might say I have been encouraged by my visit to Vancouver and the response by the city council there and the community at large. As hon. members know, we are going ahead with the conference. It will be highly successful for Canada and for the United Nations.

I was especially interested in the two speeches I had the opportunity to hear today dealing with housing and, in a specific sense, also the philosophy. There is an understanding that we do not have a crisis in the sense that we are a badly housed nation, but there are aspects of housing which are quite critical. Housing has been considered much more than a place to live in, in many cases. There was also mention of the urgency concerning the acquisition of serviced land. I was very grateful to my friend, the hon. member for Grenville-Carleton (Mr. Baker), for his appreciation of such development in southeastern part of the city. In respect of the Lebreton development, the land assembly work is already done and we are moving ahead in a very comprehensive way, as is the case in the southeastern part of the city. I realize how important this is to the hon. member's constituency.

I believe my parliamentary secretary explained the urgency of dealing with this legislation as quickly as may be allowed. It is important legislation. I am sure all members of the House realize how important it is. I should like to deal in a general way with some of the observations made by hon. members opposite and emphasize some of the important features. I note that some hon. members recalled statements my parliamentary secretary and I have made regarding some of the most serious housing problems in Canada, as well as the number of families inadequately housed in crowded or unsanitary facilities.

I see it is one o'clock, Mr. Speaker. I shall continue after lunch.

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Danson: Mr. Speaker, before we adjourned for lunch I was referring to the comments of hon. members in this debate relating to the number of families which are inadequately housed, live in crowded conditions or lack sanitary facilities. This is a matter of concern to me. I am glad these figures are receiving attention and being remembered, because I believe they should be uppermost in everyone's mind when considering the housing needs of this country. My parliamentary secretary began this debate by saying, on my behalf and on behalf of the government, that these people's needs are the number one priority. Indeed, these figures are always uppermost in my mind.

As the hon. member for Waterloo-Cambridge said, we are the best housed people in the world and we do not have a housing crisis per se. However, as I said in my remarks before lunch, there are many critical areas in housing and I carry in my pocket a list of statistics relating to housing because that is the challenge we face and that is where we begin. It is a rather strange phenomenon that each time the government introduces a new housing initiative, many hon. members react as if all previous housing programs had been superseded or wiped out. Because we are improving and expanding the Assisted Home Ownership Program, for instance, to help more people and to reach down more deeply into the lower income levels, that does not mean we have gone out of the public housing business or that we have abandoned our non-profit and co-operative housing programs. We invested more than $600 million in these programs in 1975, programs directed at least at the most urgent housing problems, almost one-third of the total CMHC capital budget of $1.6 billion. I have undertaken that the funding for these programs will be substantially increased in 1976.

When we say that social housing is our first priority, we back up our conviction with more dollars. It is precisely by utilizing and directing private lenders into the markets which are also of concern to many Canadians that we free more dollars for the lower income groups, for public housing, for non-profit housing, for senior citizens' housing and for rural and native housing. These are the programs which will have additional funding because the private sector will be looking at the market which does not require the same degree of public support.

As is apparent from the trend in this debate, there seems be to general agreement about the nature of the problems we face; the need to increase the supply of housing, particularly low and moderately-priced housing, the need to reduce the high cost of land and the cost of financing. There is not very much disagreement with the action we propose to take. The common cry—which I have heard before—is, "You will never make it work". Let me assure the House that we will make it work, and we are making it work.

Some hon. Members: Hear, hear!

Mr. Danson: They said that last year, last month and the month before. They were saying, "Be realistic. Don't be so optimistic about 210,000 housing units being built this year". I have the November housing starts figure which shows the rate of starts for last month was at the annual rate of 258,500. These figures, on top of the increased figures of last month and the month before—figures well above the previous figures for the same months last year—virtually guarantee that we will achieve the 210,000 this year and perhaps surpass it.

Some hon. Members: Hear, hear!

Mr. Danson: I do not lie down and die easily because they say some nasty words, are skeptical or do not have the same faith in Canadians that I have. There might be times we do not achieve our target. That does not disturb me very much. I know we have done the best we can. We agreed that we must increase the supply of housing in Canada, and we say we will build a minimum of one million new homes in the next four years. To do that we must emphasize, at least for the time being, new construction to build up the existing stocks. To do that we must increase the supply of serviced land, as the hon. member for Grenville-Carleton indicated. We will accomplish this objective by making residential development much more attractive to the municipalities. We already give them favourable land assembly terms. We will give them money for water treatment and mains and $1,000 for every low-cost, medium-density unit that they approve and build. I think this is an aggressive attack on the problem of land supply.

● (1410)

I have had some very good discussions, also, with my provincial colleagues about the problems arising from municipal approval processes and zoning. There has been a very useful exchange of ideas, expecially at our last meeting of provincial ministers. But this is a subject which is constantly on their minds and is a concern which we share with them. Although the matter clearly lies within provincial jurisdiction, it is a serious enough problem that it has national implications. I share the concern of the provincial ministers and that concern is reflected in some of the measures we are proposing now, from which they can take off and move further in their own jurisdictions.

To meet our targets we will need another $750 million in private money in addition to the approximately $7 billion which private investors put up this year. Some hon. members say that is not enough. They say that will give us only 20,000 or 25,000 new starts in 1976, and that is right. That would bring our 1976 starts up to about 235,000, and that is our target. It is consistent with our goal of one million good quality, well designed housing starts by 1980. How many would they like—two million, three million? Our target is realistic and related to population growth and household formations. I think our track record is pretty good in that field. It also takes into consideration the real delivery capacity of the industry.

Last year I said that 210,000 would be a realistic target for 1975, and now, in spite of all the skepticism which I just mentioned, we are going to make it. When I speak of one million starts with an emphasis on the lower price ranges, this target will be achieved without sacrificing quality. In that connection I should like to advise the House that on December 17 we are convening a meeting of provincial officials, consumers, builders and lenders in a

determined effort to move forward on consumer warranties. At the last federal-provincial meeting on housing there was substantial provincial support for a national system administered by an independent council, and I am hopeful we can quickly resolve any remaining obstacles.

When we say we will have more private investment, the reply always is that the lenders will not come through, that they will cross us up somewhere along the line. Some hon. members suggest that we pass a law telling the lenders where they have to invest their money. That is one way. We could do it that way. But I have spoken with some of the lenders and I do not think we will have any problem at all. As a matter of fact, I am confident we will not have any problem. After all, we are not asking them to pour their money down the drain. They are persuaded that this kind of shift in priorities will not only be socially useful but will be a sensible decision as well. Even without that specific direction, just by offering programs they started to see the value of those as business decisions in the latter part of this year. It did not really catch hold until about July. I urged hon. members then, and I urge them now, to assist the passage of this legislation through the House because there are time lags and it does take time to catch up. Every week or month of delay holds up the implementation of this program.

We are agreed that mortgate rates are too high, and this House has just passed some very important and significant legislation which supports a vigorous attack on the root causes of high interest rates. One hon. member suggested that I could solve the problem of high interest rates by announcing to the financial institutions that interest rates shall be 8 per cent. I can assure the hon. member that if it were that easy, I would not hesitate for a minute. I might be tempted to say that interest rates shall be 6 per cent. Why not? The fact is that most lenders operate on a margin of 1¼ per cent to 2 per cent between what they borrow for and what they lend at. Not many people would be prepared to accept 4½ per cent cent interest on their bank accounts to make 6 per cent mortgages possible.

As long as financial institutions must pay 10 per cent to attract term deposits, I do not think we can be expected to compel them by law to lend funds at a lower rate than they borrow for and, on top of that, to absorb their administrative costs. I would not expect workers to have their pensions lowered and to invest their money on a return which did not at least reflect the realities of the economic scene today. They cannot be expected to do that, and they would not do it. In the meantime, we are offering help with mortgage payments to people who need it most. For people with families and low or moderate incomes we are increasing the government's outright grants to help them buy their homes without putting out more than 25 per cent of their income in monthly payments. For people who are without children or who are not so hard up, we are offering some temporary help until they get established, a loan effectively to reduce their interest rate to 8 per cent, which must be paid back eventually but which is interest free for the first five years. That is pretty fair. We are helping people get established. We are helping young families get into the market, and when they pay the money back they are paying it to their fellow taxpayers, their fellow citizens. They have an obligation to pay it back, but at no time are we asking them to pay out more than 25 per cent of their income.

One hon. member said we are offering some people easy credit and leading them into unmanageable debt. That is not so. Borrowers will have to discuss their financial arrangements with the lenders and will have to conform to NHA loan regulations. We believe that when people know what they are getting into, they will make the right and responsible decision. We have much faith in the common sense of ordinary Canadians. Perhaps that is why they support us.

We are going to make similar arrangements with people who will agree to build good rental accommodation at reasonable cost. In return for government help, they have to sign an agreement with us about rent and other matters such as maintenance standards, and so on. When we talk about critical areas, I consider that the whole area of rental is one of the critical areas. As the hon. member for Waterloo-Cambridge said, housing is not always a matter of ownership, it is a matter of accommodation and rental as well. For some people rental is the best solution, and it is a solution which is being exacerbated by our inflationary spiral and by some of the restrictions of which the hon. member spoke today.

Some hon. members say that AHOP price limits are too low in many places. That may be so. We are constantly reviewing these prices in relation to the market and I will have an announcement to make in that regard within a few days. However, it is surprising what builders can do when they have to. We can make them work to come up with a good, well designed and comfortable home within AHOP terms. We aim to have some influence on keeping prices down instead of just following every rise in the market. When I first came into this job, people said they could not buy houses at those prices, and they were right. The builders said they could not build them at those prices, and they were wrong. When we were the only action in town, the only place mortgage money was available, the builders found they could build very good houses for that money.

In some parts of the country the AHOP limits will allow a single-family detached house; in some places it will be a townhouse or a condominium. None of these options is a terrible hardship, especially if people who otherwise could not make it are allowed to get into the home ownership market. They are given security of tenure which they otherwise would not have, and they are allowed to begin to build an equity in some property. Very few of these families would expect to spend their lives in their first home.

Some hon. members have suggested that the federal housing action program will be inflationary. On this point I firmly disagree. It is essentially aimed at increasing the supply of affordable housing. That is what AHOP and assisted rental programs do. They are decreasing the pressures on the market with respect to the cost of housing, which in terms of ownership is perhaps the largest single payment or obligation any family assumes in its lifetime. For those masses of people who have to rent in Canada, with the vacancy rate as it is the pressures are on for rents to go up because they are not economic these days. They have not risen as high as the cost of replacement. We are trying to make it possible, and that is deflationary.

At the same time, by requiring purchasers of expensive housing to make bigger down payments we are cooling out demand in the high-priced ranges and increasing the supply of capital for the kind of housing we need in this country. This will cool out the existing housing market, but that is not so bad. If we have a home which we want to sell—and perhaps we will get less for it next year; I hope that is the case,—because we want to move somewhere else, we will be able to buy less expensively because, as one hon. member said, some prices have risen unconscionably and we intend to cool that market out. These are speculative gains. We have said this is the type of housing people are living on, rather than living in. It became one of the hedges against inflation and I think that situation will be reversed, not dramatically and not immediately but we will see a gradual cooling off. Indeed, in many places that has started to occur.

To wind up these brief remarks, I appreciate the contributions which have been made in this debate by hon. members on all sides of the House. I think all those who have spoken have helped in some way to illuminate the real challenges which we face in ensuring that all Canadians, not just most Canadians, are well housed. I commend the principles of this legislation to the serious consideration of all hon. members and I look forward to a more detailed consideration of its provisions at the committee stage. Indeed, I am prepared to sit morning, noon and night seven days a week, if necessary, in the hope that all manner of questions will be addressed to me and properly answered, and the legislation thoroughly dealt with so that we can give it third reading before we recess for the Christmas holidays.

● (1420)

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a question of privilege. I do not want the minister to leave the House under the apprehension of his statement as to my position with respect to Lebreton Flats and southeast city. I put my position quite clearly and I think it is important that he understand that. I regard those decisions on the part of the government, in terms of their priorities for the national capital area, as stupid and I think I should tell him so.

Mr. Deputy Speaker: Order, please. What the hon. member just said proves he has no question of privilege. He is just making an argument which should be made at another time.

[*Translation*]

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

AMENDMENT TO EXTEND CERTAIN PROVISIONS TO DECEMBER 31, 1981

Hon. Jean Chrétien (for the Minister of Regional Economic Expansion) moved that Bill C-74 intituled "An Act to amend the Regional Development Incentive Act", as reported (without amendment) from the Standing Committee on Regional Economic Expansion, be concurred in.

Motion agreed to.

Mr. Chrétien (for Mr. Lessard) moved that Bill C-74 be read the third time and do pass.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am thinking of the Friday afternoon syndrome when occasionally bills whose application is rather simple, or they are short bills, tend to slip along for discussion without notice.

I am not going to detain the House for any great length of time, but I think we should remind ourselves that when the Department of Regional Economic Expansion was set up with what might be called a flourish of trumpets and press releases, the expectation of people, particularly in the Atlantic provinces, was at a high level indeed. Like so many undertakings of succeeding governments in Canada, the purpose has not in every case fulfilled this expectation. I am therefore sorry to say there is a fair amount of cynicism about the purpose of the department, in my part of Canada at least.

Some years ago it was the "in" thing to say that all the problems of the department would be solved if there could be decentralization. I am sorry to say that despite the most excellent people who have been decentralized to places like Moncton, it seems to me that the criticism could be made that it just adds one more layer to the long and difficult decision-making process. Instead of expediting the decisions of this department, I think it is reasonable to say that in many cases another layer of bureaucracy has interrupted the flow of information and decision-making between the federal government and the provincial governments. This is not a harsh criticism. It is, though, a comment on the fact that often the best plans, made with the best will in the world, do not work out in the best interests of the program.

I have two constituency concerns, Mr. Speaker. These general agreements signed by the federal department and the provinces often overlook the more modest proposals that towns and villages make to improve their facilities. I know that in some cases the onus is on the provinces to give the federal government a catalogue of those things for which they expect assistance in funding. There is a particular case with regard to the Fundy national park in the constituency of Fundy-Royal which is the satellite service village in the national parks' system. Very great strains are placed on that municipality as far as water and sewage are concerned. I hope that the Minister of Regional Economic Expansion (Mr. Lessard) will not only take note of this service village, but that the Minister of Indian Affairs and Northern Development (Mr. Buchanan) will do so as well.

Lastly, Mr. Speaker, I wish to discuss for a moment the problems that arose as a result of a question I put yesterday having to do with the New Brunswick Multiplex which I termed a joint federal-provincial industrial expediter. It is a rather imaginative concept and has joint funding. Its board of directors has on it public officials from both the provincial and federal governments. In reply to my question, the minister said that the experiment had been highly successful, but after he got through praising

its success he said he was not sure whether it would be continued. I hope that when another five-year lifespan is breathed into the Department of Regional Economic Expansion, the continuation of Multiplex as an essential component of the regional plan will be taken up at an early date.

It may be interesting to the House to know how I became involved in this project as a member of parliament. It is a good commentary on the case of a citizen getting in touch with the member of parliament, telling of the success of a program and asking that there be an intercession with the government. Multiplex does a very interesting thing: it provides the experts with the scissors with which to cut red tape. It provides expertise in a special field.

● (1430)

Mr. Stanfield: Where is the minister? I ask this question seriously.

Mr. Fairweather: Multiplex is a facility which enables small businesses not in a position to obtain the services of a computer to obtain data from computers. Here we are, with an operation that is fulfilling an important function, yet its future is jeopardized. There is uncertainty about the future of what the minister admits is a successful but not, apparently, an overly expensive program.

On the Friday afternoon swing shift let me say that although I welcome the extension of this department's life, too much time elapses between the conception of projects and their final approval by government. The other day I was informed of an application which took 26 weeks to go through. If the Chair will allow me to make an aside, I think the government gets into serious trouble over the way it implements some imaginative pieces of legislation. The conception is fine. Although debate may be somewhat protracted in parliament, the statutes are finally placed on the books. Then everything comes to a shuddering halt.

If I were ever to spend a few minutes with the Prime Minister of Canada (Mr. Trudeau), I would not discuss with him the unravelling of the universe; I would discuss the unravelling of the red tape surrounding many of the imaginative programs advanced by parliament, red tape which hamstrings by insisting on procedures that are expensive, lengthy and largely unnecessary.

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, I had not expected this bill to be debated so soon. However, I am glad it has come before the House and I say to the hon. member who just concluded his remarks that on this swing shift Friday afternoon I am glad to be in my seat. I know he is, too.

Mr. Knowles (Winnipeg North Centre): Welcome to the Friday afternoon club.

Mr. Hopkins: Like the previous member, I am pleased to see this program extended for five years from the end of 1976 to the end of 1981. No government program, be it federal, provincial or municipal, is perfect. Even though a program is introduced with the best intentions in the world, we must remember that human beings administer it, and there is not a human being on earth who at one time or another is not open to criticism.

My personal experience with the Department of Regional Economic Expansion during the past few years has been a happy one and I wish to take this opportunity to pay special tribute to those who work in the department. I include the minister, the deputy minister, the regional assistant deputy ministers and the staff. I thank them for the co-operation they have extended to many members of the House and the dedication they have shown to their jobs. They have been severely criticized, often unjustifiably.

What benefits has the program brought to those special areas designated under the legislation? I suggest that the true measure of any government program of this type will be determined if one compares what has actually happened in an area designated with what would have happened if the program had not been introduced. During the decade from 1960 to 1970, in the county of Renfrew, one small company was established and there was one instance of one small industrial expansion. That was the extent of our industrial growth. After a certain section of Renfrew county and the northern part of Hastings county in Ontario was designated as a Special Area on March 11, 1970, we enjoyed a number of successes. A number of developments occurred which would not have occurred in the constituency, including the eastern part of Nipissing if this type of legislation had not been enacted.

I am glad to note the presence of the hon. member for Nipissing (Mr. Blais), my neighbour to the north. I am sure he will agree with me that DREE has done a tremendous job for the people of our district, the people of Nipissing, and the people of northern Ontario in general.

Mr. Blais: Hear, hear!

Mr. Hopkins: It annoys me, Mr. Speaker, to note so much criticism in our newspapers, on television and radio, of a good program. We must have critics because we want to live in a free democracy, but let them get their facts correct and mention the good with the bad.

I can say now that if the Department of Regional Economic Expansion had not been established by a Liberal government, the slow growth areas of this country would have been in a far worse condition today. Their condition would have been terrible. At the end of December this year, the designation of the special area encompassing Arnprior, Renfrew, Pembroke, Barry's Bay and Bancroft will end, after extensions by the Department of Regional Economic Expansion. I plead with the government to extend the designation for another 12 months. I plead for the people in the northern part of my riding, in the district of Nipissing, to be included uner the Regional Incentives Development Act (RIDA).

My reasons are these. Two days ago I received a call from a major industry in the area which had been established under DREE, it has been a good corporate citizen but was forced to lay off 60 employees because its furniture component sales to the United States dropped almost to nothing. The firm established in an area which was almost down and out and put about 300 people on its payroll. I have been in touch with the Minister of Manpower and Immigration (Mr. Andras), the Department of Industry, Trade and Commerce, and DREE, and have tried my utmost to save the entire complex. Mr. Speaker, the

entire population of Mattawa, consisting of about 3,000 people, and all the people who live on small farms near the town, will be in great jeopardy if this industry disappears. The three branches of this furniture business constitute the only industry operating in that section of the upper Ottawa Valley. It is for this reason that I am supporting the bill before us and asking that this area be taken, not just into serious consideration but realistic consideration when the time comes for renewal of the program in 1976.

● (1440)

I could list other statistics for the county of Renfrew and city of Pembroke but I shall not do so at this time because other members want to speak on this bill. However, I sincerely request that the area I have mentioned be reinstated for another 12 months. At the present time, the city of Pembroke and the county of Renfrew are negotiating with the provincial government of Ontario for a General Development Agreement. This has been going on for months but the agreement has not been signed. I should amend that by saying subagreement, because the general agreement covers the entire province.

I know that many members of this House look upon the province of Ontario as the rich brother of this nation. That may be true for certain areas of the province, but the Ottawa Valley, on both sides of the river, is quite often compared with the conditions existing in the maritime provinces. In fact, many members of the Canadian armed forces who retire from the service at CFB Petawawa remain in the Ottawa Valley because it is so similar to their home province in the maritimes. There is a very close relationship here.

While there are rapid growth areas in certain parts of Ontario, many areas of this province are very similar to the slow growth regions of Canada. Because they are slow growth regions, many municipalities, counties and districts cannot afford the water and sewage services about which the hon. member for Fundy-Royal (Mr. Fairweather) just spoke. Therefore, they do not have the up to date industrial parks, with all the facilities, to offer incoming industries in the same way as the rapid growth areas of Ontario.

The local municipalities make suggestions as to what they feel should be included in the General Development subagreements which is a federal-provincial program. Those GDA subagreements should include water and sewage services in order to upgrade industrial parks. However, even if an area 250 or 350 miles from a large urban area has an up to date industrial park, industry still locates in the large centres of this country. What we need in rural Ontario, and in the small municipalities across this province which do not have the same benefits as the large urban areas because the latter have a greater municipal tax base, is an incentive program built into the GDA program. This is necessary if it is going to work effectively and efficiently for those areas.

The GDA subagreements should cut away some of the red tape. Unfortunately, this is common with many federal-provincial agreements. It is very important that we have a good working relationship among officials at the federal and provincial levels. It is important that there be close conversations between the federal and provincial governments on a very sincere basis. We should not stall in those areas classified as slow growth. There should be sewage and water facilities in industrial park areas. Assistance should be given to municipalities so that they can provide better sewage disposal plants, upgraded water facilities, sewer lines, water lines, and so on. Much of this has already been done by Central Mortgage and Housing Corporation and for that I compliment that Crown corporation: they have done a tremendous job at that level.

In order to provide for the growth that will take place as a result of the development of upgraded industrial parks, we must also provide facilities for those who will be moving into these areas. The increased population will increase the necessity for facilities. This will drain off some of the large populations needlessly concentrated in certain areas of Canada, creating added expense by more expensive housing, for example.

Many people have moved from rural areas into large urban areas. Others who have lived in urban areas all their lives see a certain value to the small town or small city way of life. It offers them a rural landscape, natureland in the shield area, as it is known in eastern Ontario. Not only does this increase the quality of life for people, but through this legislation we are discussing, it provides for their livelihood. It will slow the growth in the large urban centres of Ontario which, if allowed to grow at the present rate, would cost this country a fortune. Do we in Canada want a New York City, Chicago or Detroit?

Under the legislation that we are discussing, and under the General Development subagreements at the federal-provincial level, there should be programs to develop small communities across Canada and to provide for a better quality of life for our people.

● (1450)

I want to say that the Minister of Regional Economic Expansion (Mr. Lessard), who by the way is my seatmate, certainly has my total support in his endeavours as far as the Department of Regional Economic Expansion is concerned. I hope these programs will continue to go forward in the years to come so that we do not get into the problems I discussed a few minutes ago.

In closing, I should like to reiterate the request I put on record earlier with regard to a 12-month extension of the special area in Renfrew county. I should like to see more rapid progress in signing the sub-CDA agreement between the two senior levels of government concerning my area of the Ottawa Valley. I should like to say of the Ottawa Valley in general that the hon. member for Pontiac (Mr. Lefebvre) who has worked very closely with me over the years—and we have an excellent rapport—faces many of the same problems and we both support the Department of Regional Economic Expansion to the hilt. Once again I pay tribute to the people of that department regardless of the criticism which has been thrust at them from time to time.

I should also like to add that I am prepared at any time to put the plus factors together and stack them up against the minus factors as a whole in the Ottawa Valley as far as the effect the Department of Regional Economic Expansion has had on our locale.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to make two or three points in connection with DREE. I am not sure everyone will agree with me with regard to some of it, but I think I should emphasize that I am speaking in a very personal sense. I want to make it clear that I am not expressing a point of view on behalf of my party. There are certain views I hold in connection with DREE which I feel I can express at this stage of my political career without any misunderstanding. These are things I have said before and I would like to emphasize them again. I am sure there will be a good many on both sides of the House who will disagree with me. Nevertheless, it is important that some of these issues be discussed.

The first point I wish to make is this. It has been said many times that an attack on regional disparity involves, if it is to be effective, a very high degree of co-ordination within the government. It is so obvious I do not need to deal with the proposition at any length. It is evident that DREE could make a great effort to stimulate the economy of a region and that this effort could readily be offset by some countervailing policy adopted, perhaps unwittingly, by another department of the federal government.

The obvious example of this was when DREE was going ahead full force in 1969-1970 and when the Department of Finance was at the same time pursuing a policy of tight money—a tight fiscal policy. Those effects were felt first and foremost in areas of slower growth. Such a policy, pursued by the Department of Finance, negated the efforts of DREE. Then, again, there was the failure of the Department of Transport, for example, to pursue policies which complemented and reinforced the efforts made by DREE. This is another obvious instance where the thing could come apart and where a substantial effort made by the department could fall to the ground.

Also, there must, of course, be effective collaboration between the federal government and the province or provinces involved in particular programs. While there have been agreements between the federal government and particular provinces covering the development of certain parts of a province, I would say, speaking particularly of the Atlantic provinces, that there has not been the degree of co-operation or agreement essential as a foundation of an attack on regional disparity. I think, for example, of the long delay before the federal government and the province of Nova Scotia could come together to establish the so-called Magi experiment in the Halifax metropolitan area. This was a program which was announced by the federal government before the election of 1972. It drifted on for two or three years at least, substantially because the federal government and the government of Nova Scotia could not agree who would assume final responsibility for direction.

This is a key question with regard to regional development, and I do not pretend to have the complete answer: how would one secure within the federal government the necessary degree of co-ordination to launch an effective attack on regional disparity? Nor am I sure what kind of institutional arrangement might be needed within the federal government. I know some machinery has been established; I am sure there are interdepartmental committees, and so forth. But if the government is to make any dent in regional disparity in the Atlantic region, for example, during the next five years there has somehow to be a much higher degree of co-ordination of effort within the federal government itself and between the federal government and the provinces concerned. I am not sure, as I say, what the framework of the institutional arrangement should be, but I do say it does not exist today. There has not been, since DREE was launched, the necessary coordination and collaboration required for a successful effort.

● (1500)

It was rather naively assumed at the time the Department of Regional Economic Development was established that this department would in itself provide the necessary co-ordination of effort within the federal government. I think it was rather naively assumed that bringing together the agencies and what not that were brought together when DREE was established would in itself provide that necessary degree of co-ordination of federal effort. That obviously has not been the case.

I want to make it very clear, that to me it is not adequate for the federal government at this time simply to extend the life of DREE for a further period of five years and carry on with the same kind of inadequate institutional arrangements to do battle against regional disparity in an ineffective way. I want to make that point as forcefully as I can.

The second point I want to make, and this is where I expect I will run into specific disagreement from all quarters of the House, is that I think it is wrong and a substantial mistake to have anything like a uniform approach to regional economic development across the country. Let me make it clear what I mean. I think regional development in the Atlantic provinces, including parts of Quebec like the Gaspé Peninsula, have regional disparity problems that are different from those that exist generally in other parts of the country.

It would seem to me that what the Government of Canada should be concerned about basically is having vigorous regional economies in all parts of the country, in British Columbia, on the prairies, in the north, in Ontario and Quebec, and in the Atlantic provinces.

For example, I do not think the federal government should feel itself primarily responsible for assuring that all the communities in the Atlantic provinces are prosperous and dynamic. The federal government should not feel it has a primary responsibility to see that all the communities in my own province of Nova Scotia are dynamic in their growth. The responsibility of the federal government in connection with the Atlantic provinces is in terms of achieving a vigorous economy in the region which will develop its own dynamism.

One of the mistakes the federal government has made, and one of the things that is wrong with what the government has done to date, is that it is trying to do too much. What is wrong with the DREE program, in my judgment, is that the federal government is just trying to do too much rather than concentrate upon regional development, not allowing itself to be distracted, as I might put it, by thinking in terms of community development.

For example, with regard to the prairie provinces, and members from the prairie provinces might think this is a

purely gratuitous thing for me to say, I would think that the responsibility of the government in respect of the economy of that area is to help ensure, in co-operation with the governments of those provinces, a vigorous and diversified economy. As I understand it, one of the things the people living on the prairies want to see there is economic diversity.

To be blunt about it, I do not think the federal government should feel it is primarily concerned with the state of prosperity or otherwise of a particular community in Saskatchewan, Manitoba or Alberta. Of course there could be crises and catastrophes in respect of which the federal government would be expected to play its part.

It is my belief that in attempting to reach down below the region, assuming responsibility in terms of community development, the federal government through DREE is taking on so much it is not doing an adequate job and not concentrating itself adequately on the development of the region.

I am not suggesting that in a province like Ontario, for example, DREE should keep out all together. I can recognize that in terms of northern Ontario there is a region of sufficient size with enough in common that there is a problem of regional development. On the prairies a similar area may be that mid-north strip across the prairies and into British Columbia. There may be a problem there. I recognize that the Department of Regional Development should think in terms of regional development in these areas, but not in terms of uniform development within regions, which is more the responsibility of the provinces concerned.

If the Government of Canada adopts that approach then the programs it pursues and the methods it follows might well be very different in the Atlantic provinces and in eastern Quebec from those in northern Ontario or in western Canada. Such an approach might be very different, and the government might be much more effective and run much less risk of the federal agencies and departments involved being so bogged down in detail they cannot get anywhere really with regard to regional stimulus.

After all these years of DREE being in existence I have to say that there is no plan for the development of the Atlantic region as a whole. The Atlantic Provinces Advisory Committee, which succeeded the Atlantic Provinces Development Board, under the chairmanship of Professor Smith, emphasized time and time again a few years ago the importance of the federal government and the four provinces down there agreeing on a plan or a general approach. This has never been done. I do not know whether it has not been done because there has not been a will to achieve it, or because nobody has been able to produce a plan that looks as if it might work. Whatever the reason, there has been no plan put forward or adopted for that region as a whole, although there have been agreements entered into between the federal government and these provinces relating to parts of the provinces. The whole of Prince Edward Island is under a plan agreed to by Prince Edward Island and the Government of Canada, but that falls very far short of economic planning for the development of the maritime provinces or Atlantic region.

Are we going to enter the next five years in the life of DREE, drifting along as far as the Atlantic provinces are concerned the way we have been doing? I am not suggesting the people of the Atlantic provinces do not appreciate the effort that has been made, or the money that has been spent by the people of other parts of Canada in an attempt to attack the long standing and deep seated economic problems of the Atlantic region.

[Mr. Stanfield.]

● (1510)

I ask whether the government is to drift into this renewal for another five years, going along in the same way as in recent years, simply improvising and certainly failing to produce any coherent attack on the problems of the Atlantic region? I am afraid that is exactly what is happening and that, as a result of this happening and continuing, the whole concept of fighting regional economic disparity in areas like the Atlantic provinces will become discredited. I am concerned that people in other parts of Canada will more and more become impatient about having to foot the bill. So I say to my colleagues in the House of Commons this afternoon that we are not doing very much simply in extending the life of DREE for another five years.

I say that members of the government and this House should face up to the inadequacy of what is being done. They should abandon the approach of having one uniform economic attack across the country. We should think in terms of our responsibility here being a regional one rather than thinking in terms of being responsible for the equal development of communities within regions, certainly in areas like the Atlantic provinces.

We should face up to the necessity of developing a coherent attack that is likely to produce some results rather than the kind of improvisation that is going on which has been very useful to particular communities but which has done very little indeed, I must say, to reduce economic disparity for the people in those regions as compared to people in other parts of the country.

I certainly intend to support the bill, Mr. Speaker. I will support the renewal of DREE's mandate, but I feel very strongly, when DREE is being given a mandate for another five years, that this is an appropriate time for the government to re-think the working of the DREE program, to re-think its approach, and to recognize that really at the present time it has not achieved a satisfactory program of regional development in the various parts of the country. The government must face up to the necessity of doing this. It will be a great tragedy if members of this House think they are doing their duty this afternoon simply by extending the life of DREE without at the same time facing up to the fact that DREE has been a very limited success despite the amount of money spent, and despite the good will behind it.

If members of this parliament are to discharge their responsibility to the people of Canada as a whole, as well as to the people living in these disadvantaged areas, I think they should make up their minds to face up to the responsibility and the challenge that a really effective fight against regional disparity involves. There must be co-ordination which DREE in itself does not provide. There must be a determined and orderly attack on these problems which is flexible in respect of the country as a whole.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to begin by commending the Leader of the Opposition (Mr. Stanfield) for the speech he has made. I think it is a speech all of us should take a second look at; he made a number of recommendations which I think are very worthwhile, some of which I wish to refer to in my remarks today.

One of the real concerns I have about DREE is that coming from a province like Saskatchewan—and perhaps the Leader of the Opposition coming from Nova Scotia would share my view—I feel that many of the government's programs work at cross purposes to DREE. DREE spends a considerable sum of money in a particular province or area to create jobs, while at the same time some other federal department spends as much or perhaps more money in central Canada in a region like Toronto, or some other developed area, which works at cross purposes to DREE. I shall give some examples.

I remember last year or the year before participating in a debate in this House on the Export Development Corporation. If one looks at the annual report of that corporation one will find that almost all the expenditures of that corporation, except for aid in finding markets for western grain and so on, go to assisting the large corporations that are based primarily in places like Toronto, Montreal, other southern Ontario cities, and Vancouver.

The whole purpose of the Export Development Corporation is to stimulate and expand the manufacturing sectors of the Canadian economy. Most of that industry is restricted to areas not under the Department of Regional Economic Expansion, and this in many cases works against the general purposes of DREE.

If we look at the Department of Industry, Trade and Commerce and a good many of its programs we find again that much of the money that department spends goes into areas such as southern Ontario, the lower mainland of British Columbia and so on, which again works at cross purposes to DREE. I remember a bill a few years ago in this House which provided tax exemptions for manufacturers and rapid write-offs. Who did that help? It helped the manufacturers in this country, who again are located in areas that are not affected by DREE. More incentive is given to manufacturing companies already in existence in areas that are developed. They are given an incentive to expand. There seems to be a lack of over-all planning and co-ordination where DREE is part of an over-all governmental plan and where there is a balanced growth and balanced development in this country.

We might also look at our taxation system. I have already referred to the fast write-offs and the cuts for manufacturers. I think that taxation system fits into the pattern where once again advantage is given in general to areas which already have industry, areas that already are wealthy, to the detriment of the Atlantic provinces, the northern part of the prairies and British Columbia, as well as much of the province of Quebec, or Renfrew County, or any other area that is lacking in development. Industry already exists in southern Ontario. The type of taxation system we have will give manufacturers in this area an even greater advantage than they already have.

We could look at the financial institutions. Again, where are these located? And from where will all the extra jobs come when they expand? I think this is a very real concern.

The Leader of the Opposition referred to some problems and some of the cross-purposes of the federal government in over-all planning and co-ordination. I come from the prairies and I see a great many people from that area becoming more and more concerned about the lack of development in the prairies and more and more alienated from the federal government, more suspicious of eastern Canada, and more willing to look at the idea of western nationalism or western secession. Much of that develops because in the prairies we have a discriminatory freight rate structure, a freight rate system, for example, which makes it cheaper to ship livestock from Prince Albert, Saskatoon, and Regina to Toronto than it is to ship the same poundage or the same weight of finished beef. When that occurs, you are naturally exporting jobs to Toronto.

● (1520)

It is natural that the slaughterhouses and the packing houses will be in Toronto if it is cheaper to ship the livestock there than the finished product. As long as we have a freight rate system which will make it cheaper to ship our raw materials out of the prairies and process them elsewhere, the jobs will go elsewhere, and people will be wondering about the real benefits of Confederation and whether or not DREE, which is supposed to eliminate regional disparities, will achieve that end.

I think DREE would be much more useful and successful if other governmental policies were to take into account regional disparities, if more money, for example, were put into the transportation system to overcome some of the inequities and anomalies not only with regard to us in the prairies but with regard to the northern part of Quebec and the Atlantic provinces to enable a more valid and diversified industry to develop there. Thus we could process and package more of our own food, we could have a petrochemical industry in the prairies, etc., rather than see a lot of that developed in central Canada or across the border in the U.S. DREE would then be much more successful and we would have a nation that would pull together in a more unified way than it has in the past. We must have that type of national development plan if DREE is to be really successful.

As the Leader of the Opposition said, we have put money into regional development, but I am not sure whether we have reaped the benefits from that investment that we should have gained. It may be the fault of DREE, or the fault may lie squarely at the door of the cabinet for not having an over-all national, balanced development plan and better co-ordination between the various departments and the various levels of government. If that were done I think we could go a lot farther much quicker in clearing up the inequities which exist.

A while ago representations were made to me in my riding from a number of businessmen who told me that because of the freight rate structure—I am sure the hon. member for Ottawa West (Mr. Francis) would be interested to hear about this type of inequity—there are manufacturers of prefabricated homes who send them to Port Churchill and Hudson's Bay and it is cheaper to ship these homes by rail to Montreal and then load them on boats and

ship them along the St. Laurence river, around by Newfoundland and to Hudson's Bay to their destination, than it is to ship them by rail to the port of Churchill only a few hundred miles away. It is about four, five or six times the distance to go around via Montreal.

I am told by some Hudson's Bay officials that the reason for that is that they do not have adequate barge facilities and other facilities at the port of Churchill to handle prefabricated houses. The government should look again at some of the problems of regional development and the transportation system, such as utilizing the port of Churchill and processing more of our raw materials such as food, gas or oil in the west, the fishery business, and so on. It seems to me that the regional economic gaps in this country are growing larger, not closing, and I question the value we are getting from some of the money that is now being invested in DREE.

There is one other concern which I would like to voice, and I will make two more points about DREE. We seem to be getting more centralization in terms of the expanding civil service in the Ottawa-Hull area. When the government talks about regional development and the inequities in this country, it should explore very seriously the possibility of decentralizing many more of the federal government departments.

For example, why should the Department of Fisheries not be located in the Atlantic provinces, or the Department of Agriculture and perhaps the Department of Transport not be located somewhere on the prairies? I am taking these two examples out of the air, there are perhaps other examples that would make more sense, but it seems to me that it is a possibility which should be considered. Locating the headquarters and the staff of several government departments outside of the Ottawa-Hull area in regions of the country where the jobs and the extra economic stimulus would be of real benefit should be considered very seriously. It would make the people in Quebec, the Atlantic provinces, and the prairies feel more a part of the country. This issue should not be considered from an ideological or partisan point of view but should be considered as a program to develop the country and bring it closer together.

The last concern I want to voice about the bill, since we are giving a mandate to continue the act for the next five years, is with regard to some of the grants that are made to private corporations.

In many cases, as the hon. member for Winnipeg North Centre (Mr. Knowles) said when he spoke on second reading, we hear about the number of jobs that are expected to be created, but we do not hear about the jobs that are being created and about some of the long-term impacts of certain grants to corporations. I am concerned that, as the years go by, we will find a number of examples of grants to certain corporations which will continue to operate as businesses and continue to expand just so long as the grants keep coming, but once the grants or tax concessions end the companies will no longer see the value of expanding their plants or continuing their operations, in a certain area.

So long as the carrots are coming, the rabbit will keep eating, but once the carrots are gone there will be no point in staying, and the manufacturer might as well fold up his tent and go to central Canada, to the lower mainland, or to British Columbia where the hospitals are greater, the universities are larger, and so on. We should reconsider the whole philosophy of whether or not we should bribe a company by way of grants to locate somewhere.

We should look at the whole grant structure with a view to applying it so that, for example, if we are to provide money to a company, the federal government should take equity in the company equal to the money it is putting into it. If you give money to General Electric in Kamloops, say $500,000 to develop their plant, the federal government should take equity equal to the amount of money it is putting in because after all we are spending the taxpayers' money, so why should it be an outright gift? Certainly the companies provide jobs, but why should the government not be taking equity?

If we were private individuals we would not be putting money into any business endeavour or parcel of land unless we had a proportinate share of the equity. The federal government should have a continuing and direct say in a real way over the operation of a plant in the years to come. I suspect that as the years go by we will find that in some industries the majority development of which DREE will have financed, the government will be left with no equity in the end. To me that does not make good business sense, and it certainly does not make good political or moral sense since we are using the taxpayers' money for the purpose. That has been the practice in this country for a number of years, not just in DREE but in terms of tax concession which we give companies, in terms of total cost allowances given to companies, in terms of the plots of land which we give free to municipalities and provincial governments, or the years of tax free operation which we give to certain companies. It happens in all the provinces and in most cities.

If you were to total all the give-aways to certain corporations, you would find out that in many cases the majority of the money put into developing a plant has been taken from a public source. If we are going to put the money in, why do we not own the place? If we are going to build a plant, why do we not own it? I think that is not only responsible and highly moral but also good business, since it is taxpayers' money we are spending.

● (1530)

One last point I should like to make is that I should like to see some time in the future a really thorough study made by DREE as to the impact it has had in a particular area, with regard to how many jobs it has really created which would not have been created if the department did not exist, how many jobs are still there after DREE stopped giving certain grants or handouts, and what impact the department has had on the economy of our country.

I would like the government to consider seriously the three things I have mentioned: government departments working at cross purposes with DREE—I think that is a very valid point and a very valid criticism—working out a national development plan, and considering the whole concept of decentralization and, over the years, moving some of the headquarters and head offices out of the national capital area into the developing areas of the country.

Finally I should like the government to consider the philosophy of giving money to a corporation. It should not

just be giving it by way of a grant, but if it is public money the government should be taking out equity to the tune and proportion of the grant being given so that in the end we will own the proportion of the plant we are paying for, and so that we are not being Santa Claus with public money. If we are going to use public money we should have something to show the public in years to come as a result of the investment taxpayers of this country will have made.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, as we move to extend the authority of the Department of Regional Economic Expansion under the Regional Development Incentives Act, it is time to reflect, as some of my colleagues and the leader of my party have, on the approach used by the government in its attempt to equalize opportunities in this country for all Canadians, regardless of the area and the region in which they may reside.

The Department of Regional Economic Expansion has quite a history, a history of success and a history of failure. My colleagues—and I will take the same liberty—have spoken about their own particular areas with regard to regional economic expansion, and coming from British Columbia I have much to talk about—

Mr. Nystrom: Including a good government.

Mr. Baker (Grenville-Carleton): Despite the government.

Mr. Oberle: —not because so much has happened as a result of the presence of the department, but because so little has happened in the province of British Columbia. While the fault is not entirely with the federal ministry or with my colleagues in this House, some of the blame can justifiably be directed at the government in British Columbia.

The Regional Development Incentives Act does provide that the provincial governments have to co-ordinate their efforts with those of the federal government, and this has not, in all areas at all times, been possible to achieve, particularly in British Columbia. Because the act is so linked to political expediency, a number of politicians have used it to their own advantage.

When the act was first implemented, the previous administration designated an area in British Columbia, namely, the Okanagan Valley, because that is where the premier as well as some of the key ministers of that administration came from, and we industrialized an area which really did not need industrialization. As the Leader of the Opposition (Mr. Stanfield) said, not all areas in our country require the same consideration. It was the case in the Okanagan Valley that we used some of the most productive and beautiful farm land to build factories and truck plants to stimulate the economy there, which really did not need it at that time.

This area did not need to be stimulated to the extent other areas needed it, and the potential of other areas was not recognized.

One of the big concerns I always had about the early stages of the act was that it was really only possible for large corporations or big businesses to take advantage of it. The reason was that the decision making process was highly centralized in that it took an army of consultants and engineers, and much political patronage, to achieve approval of a program. Proctor and Gamble, for instance, received $12 million to establish a pulp mill in Grande Prairie, in northern Alberta. While there is nothing wrong with establishing a pulp mill in northern Alberta, there were other areas which needed that kind of development.

Mr. Baldwin: You are talking about the constitutency I love.

Mr. Oberle: I had not noticed that my hon. friend, the hon. member for Peace River (Mr. Baldwin), is sitting right in front of me. The wrath of God will probably strike me.

Mr. Baker (Grenville-Carleton): Not to mention lightning.

Mr. Oberle: I should approach the question of the pulp mill in Grande Prairie with caution. It certainly has done a lot in that area. It has diversified opportunity for the business community.

Mr. Baldwin: Great speech.

Mr. Oberle: I probably could also say that it was because of my hon. colleague in the House of Commons that that particular company was able to carry out that program there. Naturally, what will have to happen in Grande Prairie and in some of these areas where large resource industries have been placed as a result of regional economic expansion is that there will have to be a challenge to make the program conducive to the aims and ambitions of secondary industrial plants, and certain changes will have to be made in the act over the years to make it possible for small firms to apply. It is very difficult for them to cut through the bureaucracy, and even after decentralization and the establishment of regional offices in Vancouver, Moncton, and throughout the country, decisions are still made in Ottawa.

We still must depend on the development strategy of the provincial governments, and they are still not co-ordinated with other departments of government. My leader has adequately described what happens when the Department of Regional Economic Expansion moves into one area and other departments of government concentrate their efforts in some other region. It has often occurred to me that it would be better to spend our money providing areas of low growth and areas with depressed economies with the means to establish their infrastructure, transportation facilities and access to resources. This is a very serious consideration particularly in northern British Columbia and northern Alberta.

It simply does not make sense to move into an area and to establish a great big industry without answering some of these very important questions, not just in the area of transportation, but also in the area of the quality of life of the people who move to these regions which have the resource potential to be developed, and thus in the area of the infrastructure to support the quality of life Canadians have a right to expect. I am talking about infrastructure connected to smaller communities which have to be estab-

lished, the essential services, utilities, recreational facilities, and so on.

Again I should mention and give credit to something which has happened, the first major agreement which was recently announced in the province of British Columbia. Fort Nelson in my constituency received a $6 million grant to upgrade some infrastructures in the area to conform with the aims of the province, and to ready itself for the industrial development expected to take place there as a result of resource management and so on. More things like that must happen rather than simply concentrating on large industrial development. I think the department should get away from the prime industrial development concept and concentrate more on the secondary industries that have the aims and ambitions to diversify.

● (1540)

We must recognize that we have entered an evolutionary phase in Canada's development. Our industry is mainly capital oriented at the moment, and as we chase capital out of the country through the government's fiscal and monetary policies, we must create an industrial capacity and a labour oriented approach to this evolution. But that is not happening. We are not developing the capacity to bring our resources to a semi-finished state before exporting them.

I should like to turn now to the input of regional and local governments. Usually arrangements are made with the provinces, and the local governments have no input even though they have to provide the infrastructure, the quality of life, and prepare for the work force that might come in, providing the housing facilities and so on. Usually the local government is the last to know the plans for the region made in Ottawa or in the provincial capital.

The Regional Development Incentives Act must be used to develop a strategy by which all Canadians can find fulfilment of the dream we have always dreamt. It must be remembered that some of us will not go along with the technocrats who pledge that 85 per cent of our population will have to live in metropolitan centres, and that the vast hinterland can be controlled by computers from those centres. Somebody will have to populate these areas, and if we are to work out a decentralized strategy for industry it will be important to develop some incentive to go to them and remove some of the penalties for those people who face the elements in order to find part of their dream in the north country.

Last night in committee I had discussions with officials of the Department of Indian Affairs and Northern Development regarding their strategy for developing the Yukon and the Northwest Territories. They admitted there is no strategy that we do not know what use to make of these great regions. We have not recognized the potential in agriculture or the renewable resources in the forests of that land. Of course we have a transportation strategy for the Northwest Territories and the Yukon but it is really only geared to what the large resource extractive industries are planning for the areas. We have not decided which comes first—the chicken or the egg. No transportation strategy has been developed in the Northwest Territories which would open up the region for agricultural use or for the development of the renewable resources in the forests for wood and fibre industries.

[Mr. Oberle.]

It is a sad thing when the minister gets up in this House and declares it is the responsibility of our country and our challenge to improve or increase the productive capacity of our farming industry and our renewable resource industries. It is amazing that the minister is not concentrating more of his efforts toward these areas. It is not good enough for us simply to pass this bill extending the mandate of the department for another five years without raising some of these very important questions.

The aims, ambitions, and potential of the various regions of our country are very diversified. It does not make sense to industrialize some of the regions that could be put to better use for recreation and tourist facilities, nor does it make sense to take out land for tourism and recreation when they have not potential in that area. To this point there has not been an assessment of the situation.

My colleague who just finished speaking mentioned that there has not been an assessment of the impact of the Department of Regional Economic Expansion on the country to this stage. There are tales of bungling and tales of success, but it is high time that the new minister came to committee and to the House with the full story of what has actually happened in this department over the first six or seven years.

I would be remiss if I did not touch on the inequitable distribution of funds throughout the country. I hesitate to point the finger at one region or another, but I have figures here to show what happened in the fiscal year 1972-73 which I would like to put on the record to show how the total of $374 million was spent. The province of Quebec got $115 million; British Columbia got $4 million; Newfoundland, $37 million; Prince Edward Island, $19 million; Nova Scotia, $52 million; New Brunswick, $44 million; Ontario, $19 million; Manitoba, $24 million; Saskatchewan, $13 million, and Alberta, $17 million. This indicates that something other than common sense was used in making the distribution for 1972-73. Incidentally, Mr. Speaker, the annual report issued by the department does not give these figures. We had to put questions on the order paper to establish where the majority of funds are spent.

Some of the criticisms of the program that I have received concerned the way industries, particularly the large corporations, have followed the designated areas. In fact in some areas industries have sold plants only to establish new facilities in a different area, making use again of the grants and loans made by the department. As a result no new employment is created, but in some cases new and modern plants have been built. I am sure all of these things must concern the minister and I hope we have an opportunity in the months to come and in the new session to discuss some of our concerns first hand.

● (1550)

I hope the minister will consider the sentiments expressed today in the House, and in the second reading debate. Without being entirely negative about the regional incentives program, I suggest there is lots of room for improvement. I hope the minister will consider our demands in this regard.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, this bill is to extend the date by which facilities must achieve commercial production to qualify for a grant from the Department of Regional Economic Expansion. I am quite happy that DREE incentives are extended for another five years. The Regional Development Incentives Act has an obvious impact in creating new industries as well as developing existing industries which have to be modernized. Besides their new economic impact on municipalities, those incentives tend to reduce unemployment by creating new permanent jobs, if and when projects have been carefully selected and accepted in view of their profitability.

It is pointless to look back indignantly at sums which were granted frequently on the occasion of an election, and did not fulfill the people's hopes, because the sums had been voted on the eve of an electoral campaign and the minister took advantage of them. Those are things of the past, boss patronizers are no longer with us, so that today, with a new minister, we are looking to the future with confidence.

Obviously the minister cannot do everything by himself. Each region, each group and I should say each businessman should proceed with a serious study of the economic situation in their areas and submit to the department projects which might be approved by the minister. We are going through a somewhat uncertain period, since markets are less open than they used to be in the past years. The minister will therefore have to concentrate slightly less on primary industries to explore more fully the opportunities and needs of secondary and tertiary businesses.

Mr. Speaker, in my area of the Roberval constituency, with which the minister is as familiar as I am, a fair share of unemployment is to be blamed on the development of our primary industry, namely forestry. Modernization and mechanization have paved the way for higher productivity while reducing manpower needs by 50 per cent.

Since the forest industry labour force included 50 per cent of farmers—they were called marginal farmers, which means half farmers and half forestry workers—this explains the reduction of the population in most of our small municipalities since no industry filled the gap left by the forest industry. We shall therefore have to think of something else to replace that industry and consider multipurpose secondary and tertiary industries. Since in Quebec we now have to import 45 per cent of our food products, it seems to me that businessmen must have enough imagination to produce in Canada what is required to create secondary and even tertiary industries which will allow the consumer to benefit from our farm products 12 months a year.

I do not understand that Quebec does not have all the processing plants and cold storage plants required to receive the harvests that our producers must sell immediately at ridiculous prices because of the lack of processing and storage industries. We also have an urgent need of mechanical industries and finished wood industries.

I therefore ask the minister to direct his activities towards this area in the next five years. Moreover, I believe that the minister should help cities and municipalities solve their water and sewer problems.

The problem of sewerage is urgent in the Roberval-Lac-Saint-Jean area. We should protect our environment. We should first of all clean up our rivers and lakes and then ensure that they will remain pollution-free.

The Minister of Regional Economic Expansion will have to continue to help in the development of new industrial sectors in co-operation with the provinces and cities concerned. If the minister wants to meet his objectives of eliminating regional disparity, he will have to free himself of certain political influences of past years and treat each area justly and fairly. This can certainly not be restricted to the federal department level or to the officials of the minister.

We shall therefore have to cut through the red tape and ask for the co-operation of the provinces and all groups interested in working for the prosperity of their area. Lac-Saint-Jean-Roberval is a young area to be developed which is achieving a place of its own in Quebec's economy. That is why we shall be relying tremendously on the assistance of the Regional Economic Expansion Department in the years to come.

[*English*]

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

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

Mr. Sharp: On a point of order, Mr. Speaker, it has been agreed among House leaders that we are to proceed with the bill changing the name of Canadian Overseas Telecommunication Corporation as the next order of business as announced. I do not think there is any intention to engage in debate; I think we are to give it third reading.

May I also say that it is a great pleasure to see in the House this afternoon our newly appointed Minister of Communications (Mrs. Sauvé).

Some hon. Members: Hear, hear!

* * *

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

AMENDMENT TO CHANGE NAME OF CORPORATION

Hon. Jeanne Sauvé (for the Minister of Transport) moved that Bill S-27, to amend the Canadian Overseas Telecommunication Corporation Act, as reported (without amendment) from the Standing Committee on Transport and Communications, be concurred in.

Motion agreed to.

Mrs. Sauvé moved that the bill be read the third time and do pass.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, on behalf of my party may I extend congratulations to the minister on her new position.

Some hon. Members: Hear, hear!

Mr. Baldwin: I am glad to see her moving up in the world, and I think the Prime Minister (Mr. Trudeau) could have done worse than make her minister of finance.

I notice that the bill will change the name of COTC to Teleglobe Canada. That is interesting. Applying this thinking to other departments, I concede the possibility of changing the name of the Department of Finance to "Inflation Canada." I will say no more, Mr. Speaker. We congratulate the hon. lady and wish her well. We have noted her presence in the House and her wit and disposition in dealing with all matters coming before her. We wish her well with the duties which lie ahead.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I join my hon. friend from Peace River in extending congratulations on behalf of my party to the hon. lady who has just been appointed Minister of Communications. I am sure that this is the first time in the 107 years of the history of this parliament that a lady minister has moved a motion in the House within hours after being appointed to her portfolio.

● (1600)

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I have not had time to do all the research that might be necessary to make that assertion, but I am sure it is correct. We congratulate her on this appointment, and we shall back up our congratulations by passing this bill without further debate.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, on behalf of my party and myself, I would like to congratulate the new Minister of Communications (Mrs. Sauvé). We are very happy to see her in her new department. We were proud of having her as Minister of Environment because we had always felt no one can match a lady to clean up the nation. But I believe she will be even more at home in her new office and I am sure that, with such an able captain, communications will thrive. We are sure the whole country will benefit from her appointment. I once more extend my congratulations to the new minister.

[*English*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I want to thank hon. members for being so expeditious in passing this bill. I appreciate that they are doing this to facilitate my task as, indeed, I was only sworn in a couple of hours ago. I thank them for passing this bill so expeditiously.

I thank the hon. member for Peace River (Mr. Baldwin) for his very kind words and good wishes. As I already have had occasion to tell him, we all have our favourites on the other side.

Some hon. Members: Oh, oh!

Mrs. Sauvé: That is true.

Mr. Knowles (Winnipeg North Centre): Explain.

Mrs. Sauvé: I have something for you too.

Some hon. Members: Hear, hear!

Mrs. Sauvé: As for the hon. member for Winnipeg North Centre (Mr. Knowles), we have a very old acquaintanceship. We have had many discussions. The only problem we have is that we feel we should be on the same side of the House.

Mr. Knowles (Winnipeg North Centre): Hear, hear! Come on over.

Mrs. Sauvé: I also want to thank the hon. member for Roberval (Mr. Gauthier).

[*Translation*]

I would like to thank the hon. member for Roberval (Mr. Gauthier) for his good wishes and his kind words. Hon. members of his party have always shown so much courtesy to me that I am pleased but not surprised by their graciousness. Thank you very much, and now I hope we shall be able to get the bill through.

[*English*]

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

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Turner (London East)): Item 2, in the name of the hon. member for Hamilton West (Mr. Alexander). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 15, in the name of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 19, on the name of the hon. member for Laprairie (Mr. Watson). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 20, in the name of the right hon. member for Prince Albert (Mr. Diefenbaker). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 34, in the name of the hon. member for Winnipeg North (Mr. Orlikow). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 37, in the name of the hon. member for Edmonton-Strathcona (Mr. Roche). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 5, in the name of the hon. member for Malpeque (Mr. MacLean). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 1, in the name of the hon. member for Egmont (Mr. MacDonald). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 6, in the name of the hon. member for Lotbinière (Mr. Fortin). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 42, in the name of the hon. member for Churchill (Mr. Smith). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 4. Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 43, in the name of the hon. member for York Centre (Mr. Kaplan). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner (London East)): Item 45, in the name of the hon. member for Halifax-East Hants (Mr. McCleave). Shall the item stand?

Some hon. Members: Stand.

* * *

INCOME TAX ACT

SUGGESTED EXEMPTION FOR COSTS OF TOOLS PURCHASED BY MECHANICS

The House resumed from Monday, December 2, 1974, consideration of the motion of Mr. Balfour:

That, in the opinion of this House, the government should consider the advisability of introducing a measure to amend the Income Tax Act to provide that, for the purpose of computing the income from his employment, a mechanic may, in addition to any other deduction to which he may be entitled, deduct the cost of tools or other supplies required in the performance of the duties under his contract of employment.

Mr. Balfour: Mr. Speaker, the motion before the House—

The Acting Speaker (Mr. Turner (London East)): Order, please. If the hon. member speaks, he will close the debate.

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, I have looked at the debate up to this point on the motion put forward by the hon. member for Regina East (Mr. Balfour). It has been backed by many members on both sides of the House, and for good reason. However, it leaves some questions in my mind and in the minds of others I am sure, particularly with reference to other supplies required for the purpose of the duties under the contract of employment. As has been said earlier, and said by the hon. member for Regina East, the class of employees singled out is very important.

If we accept this motion and give the tax relief that has been requested, we leave the door open to other segments of our population making a similar legitimate request. I refer to carpenters, masons, and so on.

What about other trades that also have to supply in varying degrees their own tools while under contract to perform various services? The hon. member for Regina East is really concerned with trades in this motion, not with professions. We have to look at it in that light to see whether in this time of high inflation, when a reasonable effort is being made to cut back by all segments of the population, this would entail a great expenditure of money and take from the treasury of Canada a large sum of money as well.

Basically, I agree wholeheartedly with the sentiments expressed thus far in the debate. A mechanic is required at his own expense and at varying times to supplement the tools in use in the various garages throughout this country. However, if we open it up for the mechanic, we may have to open it up for other tradesmen as well.

Carpenters require expensive tools in the work they do. Most are required to supply at least the basics. It used to be that if a carpenter had a square, handsaw, and a good knowledge of those basic tools, that was all that was needed. However, these trades are becoming much more technical and it is much more expensive in respect of the tools that they require.

We must look at this carefully because of a precedent that will be established. Will it be necessary to submit a licence to prove that you are a mechanic to qualify for exemption under the measures proposed by the hon. member? What about repeats? Will there be an exemption on the initial cost of the tools required? It was said previously in this debate that that exemption could be as high as $3,000. What are the other supplies required in the performance of the duties under the contract? Where do we draw the line?

● (1610)

We do have, as members know, an exemption now for 3 per cent, with a full exemption of $150 each year for those employment expenses. I think we have to take a look and see, if we are making a drastic change in the income tax, whether it is justified at this particular time in history and whether it would be taken advantage of by other segments of the population as fully as possible.

What is the situation now? What tools are supplied mostly by the service stations in which these mechanics are working, and what would we have to do to know exactly where the income tax people stand with respect to the tools that the man himself must employ?

I do not wish, of course, to digress from the topic we are studying, but I think perhaps for the thought of those in the present House and for other times we should also look to the general lack of qualified mechanics that appears to be on the scene now as far as this trade is concerned. And I might just briefly perhaps propose to the House that in this deliberation at some time in the future it should look to the licensing of mechanics through the armed services. I will not take that idea too much further other than to say I have had representations that the licences supplied by the provinces primarily, should be looking toward the supply of more qualified mechanics. But right now we must deal with the motion put forward by the hon. member and look at the exemption with relation to the tax act.

The fact that self-employed professionals are allowed deductions for materials and equipment consumed in income earning clearly establishes that it is administratively impossible to audit such expenditures. This was a statement made by the hon. member in the course of the discussion on December 2, 1974. I think we have to look at this in the light in which it was put forward. Consider the term "self-employed professionals".

Is a mechanic a professional? I would like to think most of them are. So we should perhaps consider very strongly allowing the deduction for a mechanic whether he is employed by a garage or large firm or as a self-employed professional, because if he is giving his professional services to a garage he is really self-employed due to the training he has undergone. We do have lawyers who work for corporations and they are self-employed professionals. I think too often we tend to look at a mechanic or a tradesman and say he is not professional. I think that is one of the things that has seriously hurt this country. But of more concern is to have them look upon themselves as non-professionals.

I trust some consideration will be given to the motion put forward by the hon. member because basically I must say I am almost fully in agreement with it with respect to the use of the Income Tax Act by mechanics. I think we should perhaps go further and open it up to many of the trades that make this country a better country in which to live. I could mention, of course, just a few of the others—draftsman, I believe, masons, and carpenters among others. We should not limit our discussions or our openings in the income tax levy to just the mechanics. I must say I am fully in agreement with the motion and, bearing in mind the possibility of establishing a precedent and possible loss at this particular time to the tax structure of the Government of Canada, I would support it.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like first of all to commend the hon. member for Regina East (Mr. Balfour) for bringing to the attention of the House by way of his motion a very important matter and to say I am delighted to hear that the hon. member for Bruce-Grey (Mr. Douglas) supports that motion.

It is interesting to note that when this matter was debated previously—I think in December, 1974—it was supported by the hon. member for Regina-Lake Centre (Mr. Benjamin), a member of the NDP; by the hon. member for Assiniboia (Mr. Goodale), a Liberal, and by the hon. member for Nipissing (Mr. Blais), another Liberal. I note that the only Liberal who spoke against it at that stage was the hon. member for Sarnia (Mr. Cullen), presently Minister of National Revenue. I do not know whether that is the way to the cabinet—to speak against progressive motions of this nature. At any rate I am happy to hear the words of the member for Bruce-Grey. I hope he speaks for his party when he says he is in favour of it and supports it, and that at the end of this hour the government supporters in this House will give more than lip service in terms of their support and will allow the motion to come to a vote.

I believe the motion is a constructive one and, as the member for Bruce-Grey has said, perhaps it does not go far enough. This is not to say we ought to stop, in view of the support the motion has received, on the grounds it does not go far enough, having regard to the spirit in which it has been presented and the way in which it has been received. It is a step along the way and I think it would be a shameful thing if any of the hon. members opposite were to stand up and talk out the motion.

I do not intend to speak for very long. I think that if there is this kind of agreement in the House the motion should carry. We should perhaps go further to deal with the motion before us today. Let me say I believe it is important for the very reason the hon. member mentioned, namely, the fight against inflation. I wonder how many more young men or women might be induced into the trade, calling, or profession of mechanic if the incentive were given them to do so by removing the obstacle of the expensive purchase of tools they have to acquire. I am wondering if any hon. member has statistics that might indicate whether the infusion of new blood into a trade, calling, or profession would produce a great deal of tax revenue for the people of Canada as a result of that gainful employment.

● (1620)

It seems to me the government talks always in terms of restraint rather than recognizing that while there must be restraint in some areas—perhaps one is government spending, and others have been mentioned during the course of the last few days in this House—there is also a neccesity to encourage productivity and gainful employment, and to encourage those who want to enter gainful employment in order to contribute in some way or other to their community.

There is the other side to the coin of restraint. This is important because of the metric system, whenever the government decides to introduce it. This will produce great expense for mechanics who must trade their tools in or, in the alternative, buy additional tools. This would be one way in which the government could recognize this impediment to the conversion to the new system and the burden it will place on mechanics who wish to convert.

In so far as the argument that has been advanced about justice and equity is concerned, let me say I have listened carefully to the debate thus far, as well as on the last occasion. I was in the House on December 2, 1974, when the earlier debate took place. I see no reason in equity why a mechanic, and indeed at some stage we could carry this through into other trades and callings, ought not to be treated in the same way as a lawyer, a doctor, an accountant, or perhaps an engineer, in respect of our tax system.

I see no reason, for instance, why a lawyer who may use an automobile in the course of the conduct of his practice should stand in any more advantageous position than the mechanic who uses tools in the course of his trade, calling, or profession. I see no reason why a mechanic should be in any less significant a position than the engineer in respect of the tools of their trades, or why a lawyer in terms of his tax return should be in a more advantageous position because of owning a typewriter than the mechanic who has a set of wrenches or tools.

There is an important element here in terms of equalizing opportunities, and I think perhaps the reason that there is some hesitancy on the part of some people to accept this kind of approach is the great adherence to tradition. Traditionally lawyers, doctors, accountants, and engineers have been regarded by society, by parliament, and by those who advise the minister on what are proper deductions, as the privileged professions. The fact of the matter is that they are becoming less and less privileged in terms of the requirements of society.

If one is to advise a young person today where he or she ought to seek their fortune one would not be wrong if he advised that young person to seek his or her fortune or career in some area that is other than professionally oriented in the traditional sense. We have to take a hard look at this, and that is why I was very happy to hear the hon. member for Bruce-Grey state that he supports in principle this kind of deduction even though it does not go far enough. I was glad the hon. member for Nipissing supported the principle, and I was pleased that the hon. member for Assiniboia was in favour. I was equally happy that the new Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan) supported it as well, because it is an important principle.

Through you, Mr. Speaker, I would ask my colleagues on the other side of the House to bear witness in terms of the way in which this debate is conducted today by giving some efficacy to their support. They can do that by not talking the motion out, thus bearing false witness to their words, and by letting this motion proceed to the appropriate standing committee of the House, because this is a principle that ought to be put before the government and the committee where there can be intensive study, not only having regard to equity but to the matter of restraint and inflation raised by the hon. member. I think it is important that we discuss all these things.

When I leave the House today I hope I will not be disappointed. We still have 30 minutes time left, of which I hope ten minutes at the end can be used to vote in favour of this motion. Having regard to the support from the other side I am confident that it will pass this test with flying colours.

I want to express my thanks to all of my colleagues on the Liberal side who have indicated their support for the position taken by the hon. member for Regina East. I ask them not to send that member home tonight disappointed in that what has come from the other side is really only a lot of wind and very little substance. I know that those who are in the House today are not the kind of members of parliament who would give lip service to this kind of thing, but are the type who intend to allow it to pass.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because I agree with the view just expressed by the hon. member for Grenville-Carleton (Mr. Baker) that it is desirable to pass this resolution this afternoon, I shall keep my remarks very brief.

As the previous speaker pointed out, everyone who has taken part in this debate, both on December 2, 1974, and thus far on December 5, 1975, has spoken in favour of the resolution, with one exception. Even that one person who was not in favour of the resolution, namely, the present Minister of National Revenue (Mr. Cullen), admitted that what is presently being done by way of an exemption for the purchase of tools is not good enough. At the conclusion of his remarks on December 2, 1974, as noted in *Hansard* at page 1863, he said:

> Recognizing there is some merit in this argument, the government went part of the way with the 3 per cent or $150 deduction. Speaking personally, I do not think it is enough. I believe it should be higher. If the opposition had not spoken so long, I would have been able to expand on that.

The place to expand on that kind of proposition is in the committee to which this matter might be referred. I say, therefore, since all who have spoken have either supported the resolution outright or admitted that something ought to be done, I hope we can express that by passing this resolution this afternoon.

The only other word I should like to add is by way of the same thing said by the hon. member for Grenville-Carleton, namely, with the changeover to the metric system that is coming many workers will have to buy additional tools, and in many cases they will require two sets of tools. Some workers who at the present time may be fitted out with the tools they need will be faced with this kind of expense, so I think this issue becomes more urgent at this time in our history. Therefore, Mr. Speaker, I support all those Liberals and all other members of the House who say this is a good resolution. I hope it can be passed this afternoon.

● (1630)

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, there is a proverb in the country from which I come which, briefly translated, says in effect that you never praise the day before the sun sets. I am afraid the hon. member for Grenville-Carleton (Mr. Baker) has made a kind of mistake by thanking everybody in this House.

It seems to me what we are debating today is a subject that probably is raised many times at lunch hour in the factories, on construction sites, and in the mines of Canada. It is one that has probably attracted the attention of workers in particular when they look at the way an employed worker is treated and then compare that to the way an employer can proceed in deducting all the expenses the employer is allowed to deduct under the Income Tax Act. Then I suppose they ask themselves why the employer can do this, while they cannot. Some speakers have already said that they would not want to see this limited to one trade but in fairness would like to see it applied to all trades.

Of course one could make a very good argument in favour of bricklayers, plasterers, electricians, technicians, miners and so on. They would all have a very good argu-

ment because they take pride in acquiring and developing a set of tools of their own.

I am surprised that a member of the Conservative party, which party historically has adopted the concepts of private enterprise, has missed one of the basic philosophies in our Canadian tax system, namely, the fact that income from employment in our country is treated differently from income from business. I imagine the reason is the fact that income from business is the type of income that allows one, if he is an employer, to create his own job and the jobs of his employees, and therefore having done so he is given a consideration and treatment under the Income Tax Act that is particularly favourable because he performs a special role of creating jobs. Now all of a sudden we have members of the Conservative party taking an approach which seems either to disregard this basic principle or forget the fact because of personal, local, or regional considerations.

It may be there is a large number of mechanics in Saskatchewan since that region seems to be particularly interested in this type of exemption. Let me say that at least in theory the assumption has been made that an employer will pay his employer-employee expenses, which include the tools, and in a case where an employer does not pay his employee's expenses other expenses are considered to be unnecessary. This, of course, we all know is not the case in respect of tradesmen, including mechanics. We know traditionally that tradesmen for reasons of pride, practicality, and reasons related to the fact that they have a certain preference or choice in the selection of tools, develop their tools and equipment on their own at their own expense. Therefore I think the question is very legitimate. However, let us for a moment think this through.

What would be the ultimate result if we were to adopt the resolution put forward today? It would mean that we would have in our society a group of tradesmen who are already commanding a very good income who had been recognized under the act, if it were to become law, as having been granted an additional preference, namely, that of deducting certain expenses that other workers who are employees do not have.

I am very surprised that the hon. member for Winnipeg North Centre (Mr. Knowles), who seems to be staring at me with great astonishment, would support this measure which would really make the rich richer in a sense, and the poor poorer. This would be the net result of this kind of measure. Surely the hon. member for Winnipeg North Centre, because of his fine contribution to debates in this House, would see the merit of another approach I would put forward to you, Mr. Speaker, namely, that instead of this kind of a measure we might support one that would perhaps increase the amount which can be deducted by any worker in this country, regardless of whether he has a trade, whether he is semi-skilled or is unskilled.

It is true that such a measure would not address itself to a specific sector, and therefore would not relieve the workers in the particular industry or trade referred to, but in terms of social benefit it seems to me a measure to increase what is presently being permitted, that is to say, the $150 per year or 3 per cent of wages, to an amount that would not greatly affect the revenue of the Department of Revenue, first of all would be fair because it would apply to every employee, whether in the mines, in a body shop, an auto shop, a construction site, a bank, or an office downtown.

[Mr. Caccia.]

I refer to a measure that would provide some form of modest tax relief to everybody in this country who happens to be an employee. This is the basis for my argument. It would not be a measure that would provide an additional income benefit or advantage in society to a group which, for a number of reasons, can already command in our economic system a fairly good or reasonable income.

Mrs. Ursula Appolloni (York South): Mr. Speaker, if I may digress for a few seconds from the topic at hand I should like to remark that just about a year ago when I was a very new member and easily intimidated, the hon. member for Grenville-Carleton (Mr. Baker) while a private member's bill was under discussion thundered across to members on this side that people on this side of the House had a tremendous habit of talking out private bills. Then he proceeded to take up quite a lot of the time allotted to the discussion of that bill. I should like to say that now, one year from then, the same thing has happened again.

My intention is not to talk out this bill but rather to endeavour to make a contribution, which I believe is what all members should be encouraged to do. My theme is similar to that of my colleague, the hon. member for Davenport (Mr. Caccia).

● (1640)

Why single out the mechanics rather than the carpenters, the dye makers, the tool makers, or even the hairdressers and barbers? How about waitresses? As my colleague, the hon. member for Davenport pointed out, the hon. member for Winnipeg North Centre (Mr. Knowles) has done tremendous work inside and outside the House for the lower scale employees. For instance, waitresses, if they are lucky, might earn the minimum wage an hour. Big deal! Who buys their uniforms? If they are lucky enough to work in high class restaurants they might get some tips, but the ones I know do not even get work there.

Mr. Johnston: I give them good tips.

Mrs. Appolloni: I am glad the hon. member across is so generous. I must tell all the waitresses I know to serve him.

The wording of the motion concerns me. As I said, I do not see why mechanics have been singled out, even though they deserve tax deductions as much as anyone else.

I also notice another anomaly in the phrase "cost of tools or other supplies". The wording lends itself to speculation. Here again I ask, what about special clothing, for instance, that is needed in almost every sector of industry and commerce in this country, and who helps to buy it?

I sat on a special board, again last December, where we were discussing the egg situation in Canada and I remember some of the farmers, members of the various boards, told us why they must get so much a week, especially in Quebec. They said they needed it to keep up with the industrial wage in Ontario. I asked them, "Do you have the same expenses as the average worker who lives in a large urban centre, who must pay for his transportation to his

place of work and who must provide suitable clothes for himself in order to carry on even the most basic work such as answering a telephone, because when you turn up in an office in blue jeans you can lose your job pretty fast?" What about these people? Do you think of granting them tax exemptions? We think of mechanics who, as my colleague, the hon. member for Davenport pointed out, are not badly treated; they are well paid.

I agree with the substance of the motion but I also agree with what the Minister of National Revenue (Mr. Cullen) said—that was his private opinion but hopefully now he will make it more public—that $150 a year is not sufficient and that it should be increased for all. Let us apply it to all people. Let us not cure one inequity only to create another.

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, before I enter the crux of the subject I am sure I will be permitted to join my colleagues in expressing my best wishes and my most sincere congratulations to the new Minister of Communications (Mrs. Sauvé), the former Minister of Environment, and wishing her utmost success in her new department. The one thing I and the members of the Committee on Fisheries and Forestry regret is that henceforth the former Minister of Environment who became today Minister of Communications will no longer sit on that committee.

Mr. Speaker, I must first congratulate the hon. member for Regina East (Mr. Balfour) for the topic he chose to discuss today, and I must state right away that I am in great sympathy with the purpose he has in mind.

Indeed, Mr. Speaker, I was always surprised to find what I will call "discrimination" that always existed between the businessman, the professional and the shopkeeper and worker whatever his trade. And, as the hon. member who spoke before me said so properly, with the conviction it commands, I must say there is still in this motion by the hon. member for Regina East a feeling of discrimination since it is purely aimed at allowing mechanics to deduct from their income tax the cost of the tools they must use to practice their trade.

Why not? But that presents danger that is pointed out by the Department of Revenue, or those who are in charge of collecting taxes. If we open the door to mechanics, it means that everybody will be coming here to ask for a deduction as well. It is perfectly normal. Just like the lawyer needs paper, a telephone, secretaries to be able to practice his profession, just like the doctor, the worker needs tools. The same goes for the carpenter and all workers if they are to practice their trade decently and earn their living like all other professionals. Some companies supply the tools, fine, but in the case of those who do not supply them, the worker himself must pay for them. So I think it would be more equitable to allow those people to deduct it like lawyers, notaries, all other professionals, innkeepers, businessmen, industrialists and so on.

Fortunately, this government finally recognizes that something ought to be done in this sense and this is why a $150 deduction or 3 per cent of the yearly income, whichever is the lesser, is now allowed. It is always the same thing, it is always the lesser figure but when it is on the other side it is always the higher figure. I am informed that no voucher is required. We are told that the approximate cost of those automatic annual deductions of $150 a year for the federal treasury is $235 million.

Mr. Speaker, I suggest that those deductions be extended to everybody, I mean to every worker for the real cost of his tools or what he needs to work and practise his trade, but we should require supporting evidence. Today, anyone can deduct $150 a year even if he does not buy any tool at all. Even if it means extra work for the staff ot the National Revenue Department, I do believe it would be better to require receipts and to allow not only mechanics but every worker to file a real deduction representing the cost of the tools they bought during the year to practise their trade. If they did not buy any, no deduction is allowed. Some people might not agree with my point of view but I think it would be more equitable for everybody and for the government—that is for Canadians—and particularly for those who have to buy tools to work at their trade. Those were the few comments I had to make on the motion of the hon. member for Regina East (Mr. Balfour) and once again I commend him for this initiative and I hope the government will consider it.

● (1650)

[*English*]

Mr. A. C. Abbott (Mississauga): Mr. Speaker, I am sorry the hon. member for Grenville-Carleton (Mr. Baker) spoke at such great length because it is impossible for me, in the few minutes remaining, to have a chance to discuss this subject as fully as it deserves to be discussed.

Fortunately the subject has been discussed very wisely by my colleagues on this side, and they have brought a sensible perspective to the problem which was not revealed by the remarks of the hon. member for Grenville-Carleton. He, of course, skipped quickly over the subject matter of the bill and discussed the whole economic question in Canada, which he saw as being very ominous. He elevated the discussion, we have to admit, to a very high moral level, but I think he failed to deal with the particular questions raised by the hon. member for Regina East (Mr. Balfour).

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Just so that there is no doubt, I have always looked forward to the contributions in these debates by my good friend, the hon. member for Mississauga (Mr. Abbott). Speaking on behalf of my party I want to say that we are quite prepared to extend the time for as long as it may be necessary for the hon. member to finish his speech, and for all other hon. members who wish to speak in the debate to finish, so that the question can be put, and I hope there is general agreement from the other side.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Hear, hear! Agreed.

Mr. Abbott: Unlike the hon. member for Grenville-Carleton I have a very lengthy journey to make back to my constituency tonight where I have an engagement. I know many of my colleagues are not as fortunate as the hon. member. He can drive his car five of ten minutes to get home.

Mr. Baker (Grenville-Carleton): I will lend you my car.

Mr. Abbott: My hon. friends and colleagues here raised the very important point as to why we have singled out mechanics and, having singled them out, why do we not ask ourselves whether it is appropriate for people employed by gainful concerns, who are deducting the cost of doing business from their income, to have to outfit themselves with tools to begin with, or having outfitted themselves, do they not have them replaced as they wear out at the employer's shop? The question of a lawyer's expenses, the utilization of his car—a very suspect device at any time—is, I suggest, very unlikely to be closely related to his business needs. However, what of the employees who are in this same lawyer's office who, in order to enhance the premises and their appearance, dress expensively at their own expense? I suggest that the hon. member's own law office is a pleasure to walk into, but I doubt whether he pays any great heed to the cost of clothing borne by his employees as they help to create an impression of thoughtful affluence.

So the question is, therefore, why are we confining our discussion to the question of mechanics? However, I am curious as to why the $150 deduction or 3 per cent is not in itself probably adequate, even in the case of mechanics. I read in the speech of the hon. member for Regina East that he contended that expenses could run as high as $900 to $1,000 per year for replacement of tools. I find that to be a very high figure, and I would be inclined to cut it in half, which is a suitable procedure to take with regard to anything we hear from the other side of the House. So, taking half his statement as true, it would seem that the depreciated value annually of the tools would probably come close to $150 as a deductible item, so that in this case the mechanic is not faring too badly.

However, there is a very valid question at the moment about the cost of mechanics converting their inventory of tools to the metric system. Here I think the government should take special note and should recognize that this is a fundamental alteration in the assets of workers, people who can ill afford this sort of blow to their economic condition, and I think there should be a special provision introduced by the government to take account of this. This has been raised at meetings of the Standing Committee of Finance, Trade, Economic Affairs, which is discussing the metrication program. I think hon. members on both sides of that committee are enthusiastically supporting the concept of something being done for individuals, for to fulfill the national objective of metrication they must invest heavily in the tools of their trade. I strongly recommend that the hon. member for Regina East give further study to this matter so that when he reintroduces this motion, perhaps at another time, its more carefully thought out provisions will lend strength to this aspect of the argument.

Finally, we should consider the anomalies this kind of bill as it presently stands presents, because all across the economic community are inequities created by the problem of either being employed and the employer deducting expenses, of not being employed or of being self-employed. The hon. member for York Centre (Mr. Kaplan), the hon. member for Don Valley as he then was, spoke in debate and pointed out that the musician who had been self-employed was able to deduct his taxi expenses, but as soon as he signed on as a permanent member of the Toronto Symphony Orchestra he could not do so even though compensation was offered by the orchestra, and I suppose he had heavy instruments to carry.

All across the country there are these very hard to administer matters, and I recommend that the government take very careful note of the problem of the metrication program and the cost which will be borne by mechanics in this regard. Then the government perhaps should study the meritorious proposals brought forward by the hon. member for Regina East, and I urge upon him the desirability of studying the question and coming up with a sounder and more acceptable measure.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I too am glad to join in this debate today, and I must say that I am happy to find the hon. member for Grenville-Carleton (Mr. Baker) in such a conciliatory mood. I hope that when major pieces of government legislation come before this House he will be in such a conciliatory mood at that point in time.

The Acting Speaker (Mr. Turner (London East)): Order, please. The hour provided for the consideration for private members' business has now expired. It being five o'clock, this House stands adjourned until Monday next at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 8, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

ALLEGED DIRECTIVE THAT LANDED IMMIGRANT STATUS BE GRANTED WHEN ORDERED BY APPEAL BOARD—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity arising from a telex directive sent by the director of immigration for the Ontario region to all officers in charge of Canada immigration centres and subsequently circulated under date of October 15, 1975 by E. J. Fanning of the Canada Immigration Centre in Toronto to immigration supervisors. I move, seconded by the hon. member for Capilano (Mr. Huntington):

That the Minister of Manpower and Immigration make a statement concerning recent instructions under which immigration officers at Canada immigration centres now operate, which state that immediate landed immigrant status is to be granted any person where such is ordered by the Immigration Appeal Board regardless of whether immigration officials have received necessary medical examination reports, or whether immigration officials have completed investigations required regarding criminal or subversive backgrounds which would be harmful to national security, and further that the minister forthwith assure the House that steps will be taken to prevent the Immigration Appeal Board from hearing future cases without availability of all evidence at the time, that the minister guarantee immediate legislative steps will be taken to prevent continuance of a situation whereby criminals, subversives and other undesirables can receive landed immigrant status by Immigration Appeal Board decisions, and finally that the minister make public the number of such individuals to date receiving landed immigrant status in this way.

Mr. Speaker: Order, please. This motion, pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

● (1410)

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—LENGTH OF PROVINCIAL COMMITMENT TO GUIDELINES ACCEPTABLE TO GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. I should like to ask the minister whether the government is still asking the provinces to enter into an agreement with the Government of Canada for a full three or three and a quarter years, the full term of the government's anti-inflationary program, or whether the government has indicated that it is prepared to accept a shorter commitment from the provinces. I am thinking particularly of those provinces deciding to let the federal government administer the plan with regard to their own civil servants, and so forth.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, with regard to the public sector, which is the part which is being discussed with the provinces, we discussed at the most recent meeting the notion of entering in for a period shorter than the full period of the program with the expectation that there would be a review and a renewal at the end of that shorter period.

ANTI-INFLATION PROGRAM—RECONCILIATION OF ACCEPTANCE OF SHORTER COMMITMENT FROM PROVINCES WITH LONGER PROGRAM OF GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition): If that is the appropriate technique with respect to the provinces, I wonder why the minister could not have agreed to it with respect to the program generally, as we suggested. However, I should like to ask the minister how he reconciles accepting the shorter commitment with the provinces—I heard the term a year and a half mentioned—with the government's whole concept of a program of gradually phasing down inflation over a period of three or three and a quarter years.

Hon. Donald S. Macdonald (Minister of Finance): Our distinct preference was to phase inflation down more slowly over the three year period rather than have a very sharp reduction, which would bring about certain risks in the way of unemployment. Our distinct preference is to go on that slower incline. On the other hand, we have recognized that the provinces are sovereign governments in Canada, and that the best means of achieving this is with their agreement. We hoped to get their agreement to the longer period. If their agreement can only be obtained by their entering into an initially shorter period with the hope of renewal, that is the second best, but that is still a preferable solution to having no provincial participation in the public sector at all.

ANTI-INFLATION PROGRAM—POSITION OF QUEBEC ON ACCEPTANCE OF GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): It may very well be, then, that if the federal government decides to continue beyond the year and a half to which the provinces are committed, the program may be very

unequal in fact, with some provinces in and some out. I should like to ask the minister whether he is now able to give us any firm statement about the plans of the one province which intends to administer the program itself in its own area of jurisdiction. Has the Government of Canada received any commitment from that province that it will follow the federal guidelines rather than its own guidelines?

Hon. Donald S. Macdonald (Minister of Finance): In general terms, the hope and the expectation is that the federal guidelines will be followed. As yet there has not been a final commitment that that province would make any necessary changes in its own guidelines so as to provide a mirror image of the federal guidelines. This question is still being discussed.

ANTI-INFLATION PROGRAM—REQUEST FOR TABLING OF MODEL AGREEMENTS WITH PROVINCES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also to the Minister of Finance. On Friday, November 28 the minister said that he would table or otherwise make available copies of the model agreements he submitted to the provinces in connection with Bill C-73. Would the minister now make that material available to the House?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have seen the report of the question on Friday by the Leader of the Opposition. There was some discussion of those agreements the day before, and it was because discussion was anticipated that the form of the agreement had not been completed. I have asked my officials to prepare translations and to prepare the documents for tabling at the appropriate time tomorrow.

ANTI-INFLATION PROGRAM—REQUEST FOR TABLING OF DRAFT REGULATIONS—AVAILABILITY OF DRAFT REGULATIONS TO PROVINCES

Mr. Sinclair Stevens (York-Simcoe): Last Thursday the minister said, and I quote:

> . . . regulations are not yet complete in a number of respects and depend on the outcome of discussions occurring today with the provinces.

Arising out of current meetings of officials does the government now have a full package of draft regulations, and if so, is the minister able to make them public in draft form in order that this House and others can review them and make comments?

Hon. Donald S. Macdonald (Minister of Finance): We are proposing that they would be promulgated just as soon as we receive Royal Assent. I anticipate they will be available some time next week.

Mr. Stevens: A final supplementary, Mr. Speaker. Do the provinces now have in their possession a package of draft regulations in order that they can begin to reach a decision on how they will participate, and at least whether they will accept a national set of guidelines, particularly on incomes that fall under provincial jurisdiction?

[Mr. Stanfield.]

Mr. Macdonald (Rosedale): Mr. Speaker, in general terms I would have to say no.

ANTI-INFLATION PROGRAM—POSSIBILITY OF PROVINCIAL AGREEMENT ON CONTROL OF PROFESSIONAL INCOMES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, a question for the Minister of Finance. Considering that a survey of lawyers in the Toronto area which was made public today indicated that they have not the slightest bit of concern about the effect of the controls program on their incomes, could the minister tell the House whether an agreement has been reached with the provinces as to the form that the controls program will take in regard to professional incomes?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in the most general terms it is as previously set out a number of times. It obviously will vary from province to province but we would expect to be able to agree on ways in which billing will be controlled so that there would be no excess of the guidelines as we have set them out in the House.

Mr. Broadbent: I hope we can progress beyond that, Mr. Speaker. Is the minister saying to the House that it is conceivable that in some provinces increases in salaries or professional fees well beyond the $2,400 limit imposed on other people, will be possible?

Mr. Macdonald (Rosedale): Mr. Speaker, I would just repeat the guidelines for the hon. gentleman. We stipulated that increases in fees shall be no more than is necessary to recover the additional costs of overhead plus a return to the individual not in excess of $2,400 for the same amount of work. Obviously, if there is a further return resulting from longer hours of work—further productivity, if that term can be applied in the professional sector—the higher level would be available just as it will be available in the form of overtime to wage earners.

ANTI-INFLATION PROGRAM—SUGGESTED REDUCTION OF LAWYERS' FEES IN CONNECTION WITH MORTGAGES

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question. Considering that both in terms of equity and in terms of the effect of this program on all sections of the population, and in the hope of some letoff in pressures on home owners, would the minister consider taking steps immediately to alter the situation that now prevails with Central Mortgage and Housing Corporation? At present a lawyer obtains 1 per cent of the value of a mortgage for arranging financing and in addition can charge the home owner another 1¼ per cent for legal fees. This means thousands of dollars for the home purchaser. Would the minister consider changing the government's requirements in terms of mortgages as a means of getting at these high legal fees?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we sought to do that on a broader basis, with regard to all real estate transactions and not just those of the government of Canada. We recognize where the billing has been for a percentage of the value involved in the deal,

that without any change in the billing there can, of course, be an increase in the individual lawyer's return. There has been some discussion directed toward scaling down the billing rate as the actual cost goes up.

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[*Translation*]

ANTI-INFLATION BOARD

INQUIRY WHETHER REGIONAL OFFICES ESTABLISHED IN QUEBEC AND UNDER WHOSE JURISDICTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to pose a question to the Minister of Finance.

As far as Quebec province is concerned, can the Minister tell the House if the Anti-Inflation Board will have a regional office in each region of that province and if that office will be under federal or provincial jurisdiction or jointly administered?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if I understand the hon. member correctly, he would like to know if the federal Anti-Inflation Board has jurisdiction over the postal employees. It is really the Anti-Inflation Board which has such jurisdiction and it is empowered to consider the agreement between the postal employees and the government.

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

The minister did not understand my question completely. Will the Anti-Inflation Board have regional offices throughout Quebec and, if so, will they be jointly administered or only by the federal government?

Mr. Macdonald (Rosedale): Mr. Speaker, we shall have a Montreal office under Mr. Castonguay but not so in all regions, at least for the time being.

* * *

● (1420)

[*English*]

CONFLICT OF INTEREST

PARTICIPATION OF MR. NADEAU IN EXAMINATION OF ATTEMPTED TAKEOVER OF ARGUS IN VIEW OF POSITION WITH ROYAL BANK

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is directed to the Prime Minister. Has the Prime Minister decided whether there would be any conflict of interest in Mr. Pierre Nadeau, a member of the Royal Commission on Corporate Concentration, participating in the examination of the proposed takeover of Argus Corporation by Power Corporation? I ask this as Mr. Nadeau is a director of the Royal Bank, which made available most of the funds necessary for the proposed takeover, and as the whole question of the loan was thoroughly examined by the Royal Bank board.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the conflict of interest guidelines function in their application this way with departments or royal commissions: the deputy minister, in the case of a department, and the chairman of the royal commission, in the case of commissions, reports to me on his own freedom from conflict of interest. People under him report to him. I am sure Mr. Bryce will have this question drawn to his attention, and he can make his own judgment. I must add that, in the case of a royal commission in particular, or other areas where we seek to have people work part time for the common weal and draw them from the private sector, whether from business, labour, finance, the universities, and so on, it is inevitable that these people will not sever all links with the rest of their lives; otherwise we would not be able to enjoy their expertise. So, on this basis I am sure Mr. Bryce will make an equitable decision.

Mr. Hees: Mr. Speaker, I agree with the Prime Minister that when we draw useful people for these commissions there is bound to be the possibility of conflict of interest from time to time. Would it not be desirable if Mr. Nadeau were to withdraw from the board for this particular case? Otherwise a lot of people will think there is a conflict of interest here.

Mr. Trudeau: Mr. Speaker, I do not know the facts of the particular case to which the hon. member refers but will ensure that Mr. Bryce, the chairman of the commission, hears about it.

Mr. Baldwin: Have you read the guidelines yourself yet?

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ROYAL CANADIAN MOUNTED POLICE

SKY SHOPS AND MIRABEL—INQUIRY WHETHER INVESTIGATIONS SEPARATE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my brief question is directed to the Solicitor General. Has the Solicitor General conferred with the Prime Minister, pursuant to the admonition the Prime Minister gave him on December 4, as reported at page 9708 of *Hansard*, not to give information to the hon. member for Calgary North on whether or not the Mirabel and Sky Shops investigations are one and the same? I wonder whether he is authorized to give any answer today. I realize that he must be cautious in what he says. Can he give us any information about the way the investigation or investigations are proceeding? For example, are any investigations being conducted outside this country?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have not discussed the matter further with the Prime Minister and have no further information to give the House at this time.

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AIRPORTS

DORVAL—REQUEST FOR TABLING OF LEASE WITH KEBEC RESTAURANTS—POSSIBILITY OF FUTURE TENDERING

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, may I direct a supplementary question to the Minister of

Transport? Has the Prime Minister brought to the attention of the Minister of Transport, as he indicated he would last Friday, the matter of possibly tabling in this House of copies of lease agreements between the Department of Transport and Kebec Restaurants? Perhaps at the same time the Minister of Transport would indicate whether or not the lease with Kebec Restaurants is up for renewal and whether it will be put out to open tender, in keeping with stated departmental policy.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will certainly look at the question of tabling the lease, to see if there is any difficulty about it. The three five-year periods included in the original lease should expire early in 1976. At that point we will look at the best procedure to use in connection with the lease.

Mr. Baldwin: Why not refer it to the Anti-Inflation Board for a ruling?

* * *

AIR TRANSPORT

SKYWEST APPLICATION—POSSIBILITY OF REPRESENTATIONS BY TRANSAIR

Mr. Jack Murta (Lisgar): Mr. Speaker, my question to the Minister of Transport relates to the Skywest application, and also the hearings which were adjourned last week. In the last few months has Transair, which operates from Winnipeg, made direct representations to the minister about the Skywest application, or any aspect of it? If so, what was the outcome of any representations made?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I and members of my staff held discussions with various carriers. At least two of the carriers were interested in the earlier question of supplying service on this route. Transair was one of the companies. I would not characterize those discussions as representations. The question of their role, generally, in this area was discussed.

SKYWEST APPLICATION—REASON FOR ADJOURNMENT OF HEARINGS

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to ask the Minister of Transport whether the hearings have been adjourned for the time being and, if so, is the reason that the minister is more interested in looking for a private carrier than the public carrier proposed in the Skywest application?

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker. I made it clear to the Manitoba government that I thought there was perhaps a simpler route to a licence than using a government carrier and the particular proposal put forward by them. However, the decision to not proceed with the hearings was taken by the Air Transport Committee, as I read the judgment, on the basis of a real lack of information on the part of the applicant.

[Mr. MacKay.]

CUSTOMS

RIVERPORT, NOVA SCOTIA—REQUEST FOR EARLY APPOINTMENT OF OFFICER

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of National Revenue. Over the past ten years, Riverport, Nova Scotia has been increasingly utilized as an export centre for processed seafoods. In fact, in the past month three substantial cargos were exported, two destined for Europe and one to South America. There were 184 clearings from the port since the beginning of April. My question to the minister is this. In light of the fact that Riverport is one of the most active marine centres in the maritimes, when can we expect the appointment of a full-time customs officer to fill the position made vacant some nine months ago when the holder of that office passed away?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, the hon. member and the Parliamentary Secretary to the Secretary of State have both made these representations. We did in fact have an individual named and the order in council passed. However, the individual indicated after that he was not interested in taking up the position. We are at the present time selecting another individual to fill that role.

* * *

[*Translation*]

AIR TRANSPORT

CRASH OF AIRCRAFT AT HÂVRE-AUX-MAISONS—REQUEST FOR INQUIRY AND IMPROVEMENT OF AIRPORT FACILITIES

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I wish to ask a question of the Minister of Transport.

But before, Mr. Speaker, may I present my deepest sympathy to all families affected by the loss of a close relative as a result of the crash at the Hâvre-aux-Maisons airport, in the Magdalen Islands, last Thursday. My question to the Minister of Transport is the following: has the department undertaken an investigation to find the cause of that tragedy and will this tragedy prompt the Department of Transport to hasten the improvement work required for that airport which has been asked for a long time?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we certainly are looking into this matter. I share with the hon. member the sympathy he has extended to the people who were directly affected.

* * *

POST OFFICE

SUGGESTED OFFERING OF OVERTIME TO REGULAR EMPLOYEES BEFORE HIRING CASUALS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Postmaster General. In view of the fact that in many cities postmasters are still operating under the old rules regarding casual help, thereby violating the intent of the new contract initialled by the government

and CUPW, will the Postmaster General issue a directive to all postmasters to adhere to the principle of minimizing the use of casual labour by offering extra hours and overtime to regular employees first?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, this fact was drawn to my attention by the union on Friday. I believe that the matter has been settled satisfactorily. It is part of the new contract which has yet to be signed. It has been ratified and we have been notified accordingly. Of course, we have not as yet signed the contract. However, in the interval, I have given instructions that we arrive at local decisions on what is a suitable number of hours of overtime that should be permitted to regular workers. It is not specific in the collective agreement. Needless to say, it should be limited by common sense. We hope that this can be arrived at in each individual post office through consultation.

* * *

TRANSPORT

PRINCE EDWARD ISLAND FERRY SERVICE—REQUEST FOR REPORT OF LABOUR-MANAGEMENT COMMITTEE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Minister of Transport. It relates to the disturbing information provided by the minister last Wednesday to my colleague, the hon. member for Malpeque. He indicated that no arrangement had been made or any agreement reached with respect to continuous ferry service between Prince Edward Island and the mainland during the ice season but more particularly during labour disputes. I ask the minister whether the communications committee set up by his predecessor last July, and composed of representatives of both labour and management in an attempt to maintain ongoing communication and work potential solutions with respect to this problem, is still in existence and is still meeting on the same basis as was then indicated, and when that committee might be presenting its report either to him or to the provincial government of Prince Edward Island?

● (1430)

Hon. Otto E. Lang (Minister of Transport): I think the hon. member for Malpeque's question was particularly related to the labour disputes. While I indicated that we could not assure that this kind of problem would not occur again, it is true the matter is one of concern and is therefore the subject of a number of pieces of work.

Mr. MacDonald (Egmont): I should like to direct attention specifically to the Marine East co-ordinating committee which was announced by the hon. minister's predecessor, now the Minister without Portfolio, a year ago July. The committee was to meet in the months of January, May and September and effect continuing communication on potential labour disputes which might result in the termination of a service which vitally affects the economic interests of Prince Edward Island. Is this work still going on and when can we expect a report from that committee?

Mr. Lang: Mr. Speaker, I have not yet had a report on that matter but I will look into it.

Oral Questions

CANADIAN RADIO-TELEVISION COMMISSION

ALLEGED DELAY OF DECISIONS—POSSIBILITY OF MEASURES TO IMPROVE OPERATIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the new Minister of Communications.

Some hon. Members: Hear, hear!

Mr. Beatty: In asking her her inaugural question, I should like to extend my sincere congratulations and tell her I can say in all confidence that she will certainly be the best Minister of Communications the government has had since Pierre Juneau.

Some hon. Members: Oh, oh!

Mr. Beatty: Is the minister aware of the large number of complaints raised by people within the industry during the tenure of the former chairman of the CRTC that fairly routine procedures were left hanging by the CRTC for extremely long periods of time, much to the detriment both of the industry and of the public it serves? If so, what plans, if any, has the hon. lady to reorganize the workings of the CRTC in order to speed up routine decision making?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I want to thank hon. members for their good wishes and particularly the government members who show such a good spirit under the circumstances. I also thank the member who asked the question. I would be inclined to ask the parliamentary secretary, who fulfilled his duties so judiciously during the interim, to answer this question. Moreover I cannot give the genial answer the hon. member would expect. But however little I know of the matters of the department I am responsible for, I am aware that the CRTC is being reorganized and, of course, if there is any delay in its decision, I will do my best to expedite the procedures.

* * *

[*English*]

ENERGY

INQUIRY AS TO PRIORITY OF DEVELOPMENT PROJECTS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. The minister has stated that it will take some $110 billion in the next decade to develop our energy resources in accordance with our needs. In view of the fact that the huge injections of cash into the economy which will be required will certainly contribute to inflation, and in view of the fact that there is a limitation on the technology, the supply of skilled people and the funds available to develop these projects, will the minister tell us whether he or the government have given any thought to developing a set of priorities? Has it considered which projects are to be developed, and in what order?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): We have indicated that the $110 billion would be spread over many different projects. About half that

sum would probably be allotted to the generation and transmission of hydro-electric power with the remainder going largely into oil and gas, though I think a considerable chunk would be directed to coal. The danger in mentioning priorities when we are talking about numbers is that if I indicated a priority one might think I should be putting a greater number against the oil and gas and less on coal. We consider all these areas to have priority. Perhaps the greatest priority of all is to introduce a stricter measure of discipline in energy conservation, because if we do we could reduce the bill by close to $40 billion.

* * *

ADMINISTRATION OF JUSTICE

POSSIBLE INTRODUCTION OF LEGISLATION TO REPLACE WAR MEASURES ACT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Prime Minister. Last week the Solicitor General stated outside the House that the government was preparing legislation which would replace the existing War Measures Act but was unwilling to confirm that statement in the House. The Minister of Justice, upon questioning, seemed not to know whether such legislation was being drafted by his department or not and said he would have to take the matter up with the Solicitor General. In view of the apparent unwillingness of his cabinet colleagues to clarify this matter, would the Prime Minister advise the House whether or not such legislation is being considered by the government and for what purpose, and when we can expect it to be introduced?

Right Hon. P. E. Trudeau (Prime Minister): Going back a few years, I believe it was early in 1971, the House will recall that the government was ready to prepare a bill which it would have sent to a committee to see if we could bring in legislation which would avert in the future the need to resort to the War Measures Act. So, in a sense, the government has some policy prepared on this issue. But in view of the fact it has not been introduced, what we are doing now is reviewing the situation and considering whether we would want to modify the kind of policy decision taken at that time. I still believe, and it is the view of the government, that it would be important to have such legislation on the books in the future. The manner in which it would be presented and the timing would depend a great deal on the disposition of the House.

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[*Translation*]

EXTERNAL AFFAIRS

INQUIRY WHETHER CANADA HAS PROTESTED TO ISRAEL OVER ATTACK ON REFUGEE CAMPS IN LEBANON

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, last Friday the hon. members for Hillsborough and Greenwood asked the Acting Minister of External Affairs about the aerial raid conducted by the state of Israel 200 kilometres inside Lebanon, in which 30 Phantoms and Sky Hawks blindly bombed the refugee camps of Naher Al Bared and Bedawi, killing 80 Palestinians and eight Lebanese and injuring 106 Palestinians and two Lebanese. Has the minister taken cognizance of the statements made by the Acting Minister of External Affairs and reported to the new ambassador of Israel how horrifed the Canadian people feel at this mad behaviour, as His Holiness Pope Paul VI has called it?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I have read the answer to the question given by the President of the Privy Council. I support 100 per cent the comments he made in connection with these raids, and I want to assure the hon. member that a transcript of those comments has been drawn to the attention of the Israeli embassy in Ottawa.

* * *

IMMIGRATION

REQUEST FOR TABLING OF DIRECTIVE THAT LANDED IMMIGRANT STATUS BE GRANTED ON ORDERS OF APPEAL BOARD

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Is the minister willing to table in the House a copy of the Telex sent by one of his officials changing the procedures under which his department handles immigration cases dealt with by the Immigration Appeal Board to the extent that immigration officials must now grant immediate landed immigrant status on orders of the board, even prior to receipt of medical reports or completion of investigations with regard to criminal or subversive backgrounds?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Since, obviously, the hon. gentleman has not given me any notice of this question I would not care to say whether I would table it or not until I have had an opportunity to see the alleged directive, one of which I have no knowledge at this moment.

Mr. Cossitt: Point of order—three o'clock!

* * *

[*Translation*]

CRIMINAL CODE

ALLEGATION QUEBEC SEEKING AMENDMENT TO PERMIT GAMBLING—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Prime Minister.

It seems now more and more certain that Quebec intends to set up a casino on its territory. However to do so, the federal legislation must be amended, as pointed out by Premier Bourassa. Could the Prime Minister tell the House what are the views of the federal government on the matter and if it intends to alter the legislation to allow Quebec to set up that casino?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, to my knowledge, no such request has been made. Therefore, the question remains hypothetical.

● (1440)

[*English*]

NORTHERN AFFAIRS

DATE OF PUBLICATION OF REGULATIONS COVERING EXPLORATION FOR OIL AND GAS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Last Monday, December 1, the minister stated that he would be meeting during the week with the Minister of Energy, Mines and Resources regarding the oil and gas regulations. I should like to ask the minister whether the meeting did take place and, if so, whether he would advise the House of a firm date when the oil and gas regulations will be brought down.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the meeting did take place but a couple of complications have arisen and at this point I am not able to give the hon. member a firm date. I will be back to the hon. member on the matter.

* * *

EXTERNAL AFFAIRS

PROCEDURE FOR RELEASE OF PERSONS ILLEGALLY DETAINED IN FOREIGN COUNTRY—POSSIBILITY OF IMPROVEMENT

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In posing my question to the minister I know he would wish to join with all hon. members of the House in welcoming to the gallery of this chamber two Canadians of outstanding faith and courage who have recently returned home after several months' captivity in a prisoner of war camp in Viet Nam. I am referring to the Reverend Norman and Mrs. Joan Johnson, of Hamilton, Ontario.

Some hon. Members: Hear, hear!

Mr. O'Sullivan: Mr. Speaker, since the minister has been kind enough to meet with Mr. and Mrs. Johnson today, I wonder whether he is in a position to tell the House if the department is reconsidering the procedures for seeking the release of Canadians held illegally abroad in such dire circumstances.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am delighted that the hon. member has drawn our attention to the presence of Mr. and Mrs. Johnson in the gallery. I am as pleased as he that it has been possible to arrange their release. I do not know of any better way of handling cases of this kind than the procedure we followed. We made repeated representations to the authorities, and I believe the last one was made by myself at the United Nations to the representatives of the north, and following that representation the release was arranged. If there are better procedures we would be happy to follow them, but I do not know of any other than those we have followed in this case.

AIRPORTS

MIRABEL—REQUEST FOR REPORT ON CONSULTANTS' FEES FOR DESIGN OF RUNWAYS, APRONS AND TAXIWAYS

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is for the Minister of Transport. Three weeks ago, as reported at page 9017 of *Hansard*, the Minister of Transport said that he would look at the $10 million expenditure on consultants for the design of runways, aprons and taxiways at Mirabel airport. In light of the fact that all of the design work was done by his staff in the ministry of transport, can the minister report on this matter now?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I said to the hon. member that I would look at the answer to one question to which he referred and also a return that was tabled. If the hon. member will look at the return that was tabled, he will find it explains the way in which the various calculations are made and the attribution of costs for the consulting services in question.

Mr. Huntington: A supplementary question, Mr. Speaker. May I say in reply to the minister that I have looked at the return and it in no way coincides with the information that was given to me in the written answer previously printed in *Hansard*.

Mr. Lang: I suggest the hon. member read the paragraphs instead of just the numbers.

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[*Translation*]

INDUSTRY

REQUEST FOR INQUIRY INTO SALE OF IMPORTED GLOVES UNDER CANADIAN LABEL

Mr. Claude Tessier (Compton): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Could the minister advise the House whether it is true that glove manufacturers are selling foreign goods as though they were Canadian made, thereby favouring massive imports and seriously jeopardizing existing jobs in areas which suffer already from high unemployment rates and where existing jobs must be maintained?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am aware of the hon. member's concern for workers in the glove industry and I commend him for it. I want therefore to assure him of the full co-operation of my departmental officials. An investigation could be carried out within the next few days, following the delivery of relevant information or documents. I can assure him that first priority would be given to such documents.

Oral Questions

[*English*]

HOUSING

INCREASE IN MORTGAGE INTEREST RATE IN AREAS NOT SERVED BY NHA APPROVED LENDERS—EFFECT ON LOW INCOME GROUPS

Mr. John Gilbert (Broadview): Mr. Speaker, in the absence of the Minister of State for Urban Affairs I direct my question to his parliamentary secretary. In view of the announcement by CMHC last Friday increasing mortgage interest rates from 11 per cent to 11¾ per cent for persons living in remote areas not served by NHA approved lenders, and in view of the minister's statement announced by his parliamentary secretary on introducing Bill C-77 last week that the thrust of the legislation is to help low income, elderly and native people, in what way does this mortgage rate increase assist these people to purchase decent housing at reasonable cost?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the hon. member was quoting from a news release of December 5. If I may quote also, rates to non-profit housing organizations and entrepreneurs under the special rental housing program also remain unchanged at 8 per cent. Under the assisted home ownership program CMHC mortgage rates may also be as low as 8 per cent, depending on income, and further interest reducing grants of up to $600 a year are available. These grants would be increased to $750 by legislation now before parliament.

I think the hon. member knows that we are asking the lenders to increase the amount of money that they are going to put forward by $750 million. We have great confidence that the government will be able with its money to encourage further construction of social housing.

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ENVIRONMENTAL AFFAIRS

SPRUCE BUDWORM CONTROL—REQUEST FOR SPRAY PROGRAM FOR NEW BRUNSWICK NEXT SPRING

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of State (Fisheries) and Minister of the Environment. I should like to take this opportunity to congratulate the minister on his extended duties and say that I believe that the government has selected very wisely.

Some hon. Members: Hear, hear!

Mr. Howie: Significantly, Mr. Speaker, my question has a New Brunswick flavour to it. Has the minister had an opportunity to inform himself of the critical condition of New Brunswick forests as a result of the continuing spruce budworm infestation, will he give immediate consideration to a more intense program of research to find a solution to the problem, and in the meantime prepare an effective spray control program for next spring?

Hon. Roméo LeBlanc (Minister of the Environment): Mr. Speaker, I wish to thank the hon. member for his good wishes and I hope that my answers do not indicate that my temporary situation will last for too long. I am speaking in terms of knowledge, of course, not in terms of other things. I should say to the hon. member that a meeting had been planned for tomorrow between the previous minister and the Minister of Natural Resources for New Brunswick. I asked that this meeting be delayed for probably one week in order that I may familiarize myself with the subject. Although I have made a start on the subject, I am not yet ready to give a valid reply to this question.

* * *

ADMINISTRATION OF JUSTICE

QUEBEC CRIME PROBE—POSSIBILITY OF LEGISLATION TO LEGALIZE ESTABLISHMENT OF COMMISSION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Solicitor General a question in connection with a statement that he allegedly made outside the House regarding the appeal case now before the Supreme Court of Canada in which the counsel for alleged gangsters in Montreal, supported by the counsel for the government of Canada, are arguing that the setting up of the crime probe is outside the jurisdiction of the province. The minister allegedly said that, if that were so, legislation to legalize the setting up of the commission would be brought in.

Since apparently the government has decided that the crime probe is beyond the powers of the legislature of Quebec, regardless of what the decision of the Supreme Court of Canada may be anticipated to be, would the Solicitor General bring in such legislation before the Christmas recess so that, in the event that the Supreme Court of Canada does decide that it agrees with the counsel for the government of Canada, the crime probe would not be emasculated for a period of several months until parliament resumes, thereby benefitting the kings of the underworld?

● (1450)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, this matter is under the jurisdiction of the Minister of Justice. I merely tried to repeat outside the House what the Minister of Justice said in this House in answer to a question put to him by a member from the other side. Perhaps the right hon. member could put the question to the Minister of Justice.

Mr. Diefenbaker: Mr. Speaker, this is a matter peculiarly of the law, and the Solicitor General being interested in law enforcement and representing a Quebec constituency I am sure would be able to assure the people of that province that the crime probe will not be set in cold storage for a period of months.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, perhaps I might answer the question. As I indicated, I have had discussions with the province of Quebec concerning the type of legislation which should be introduced in this House in the event the position of the Attorney General of Canada in the Supreme Court of Canada is maintained. Those discussions are still continuing as to the proper time and proper type of legislation to be introduced here in

order to clothe the provincial crime inquiry with a proper constitutional basis.

Mr. Diefenbaker: Mr. Speaker, I should like to ask the Minister of Justice whether the government feels an amendment to the British North America Act is necessary in order to bring about the legalization of that which the government's counsel, in a cozy way with the counsel for the underworld, is arguing to the contrary.

Mr. Basford: Well, Mr. Speaker, I am very startled that the right hon. member, a learned member of the bar, would ask the question and use the words he has.

Mr. Diefenbaker: Does the truth hurt?

Mr. Basford: With regard to the fact that he did choose to use language like that, it is not a reflection on me but rather a reflection on him. Concerning the question itself, stripped of its silly language—

Some hon. Members: Hear, hear!

Mr. Basford: —the answer is no.

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INDIAN AFFAIRS

MERCURY POISONING—GOVERNMENT ACTION TO PROVIDE ALTERNATIVE FOOD OR RELOCATE NATIVES

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Since both the federal and provincial governments are warning native groups in the areas of Yellowknife, Dryden, Ontario and Matagami, Quebec, as well as in numerous other locations, not to eat fish because of high contamination of mercury, is the federal government, first, doing anything to provide an alternative protein supply and, second, is it doing anything to help these people relocate into other occupations?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer to the first portion of the question is yes. Alternative sources of protein are being provided. The answer to the second portion of the question is that an effort is being made to create other forms of economic development on these reserves.

MERCURY POISONING—GOVERNMENT ASSISTANCE TO NATIVES IN OBTAINING SETTLEMENT FOR DAMAGES FROM COMPANIES CONCERNED

Mr. Arnold Malone (Battle River): I have a final supplementary, Mr. Speaker. Is the federal government doing anything to assist the native groups to obtain proper settlement from companies such as Dryden Chemical Company or Domtar Limited which have contributed to the destruction of health and the means of livelihood of many native people.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, this matter is being investigated. Currently representatives from the province of Ontario, who are also very much involved in this since it is their law which has to be complied with, are investigating the compensation the people should have and to see whether in fact a basis for a lawsuit does exist against the company in Dryden.

* * *

ADMINISTRATION OF JUSTICE

GOVERNMENT ACTION TO PREVENT TRAFFICKING IN PORNOGRAPHY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Solicitor General. In view of the findings of the coroner and the coroner's jury the other day in the Poulin case in Ottawa regarding the harmful effects of pornography, may I ask the minister what steps he is taking in his capacity as Solicitor General of Canada to prevent inter-provincial traffic of this material and to prevent this material coming into the country in accordance with the provisions of Section 159 of the Criminal Code.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP is responsible for policing the transportation of pornography into the country from outside, but it is up to the attorneys general of the provinces to police the law within Canada and the hon. member will have to approach them with regard to that question.

Mr. McGrath: Mr. Speaker, may I ask the Solicitor General, with regard to the provincial application of these provisions of the Criminal Code and in view of the findings of the coroner and the coroner's jury in this unfortunate case, if it is his intention to meet with the attorneys general of the provinces and include this matter in the revisions his colleague the Minister of Justice and he intend to bring to parliament shortly.

Mr. Allmand: Mr. Speaker, we had not considered amending any laws in respect of pornography. We could take the suggestion under consideration.

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[*Translation*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF GUIDELINES TO NEGOTIATIONS OF CLOTHING WORKERS

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I had intended to put a question to the Minister of Labour, but in view of his absence, I shall put it to the Minister of Finance.

Can he tell the House whether he has met the representatives of the clothing workers union to discuss the application of the guidelines in Bill C-73 in the conflict that opposes them to their employers? If so, how can we ensure that the workers make up the salary to which they are entitled?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I had the opportunity of meeting the representa-

tives of such a union, some three weeks ago, as well as representatives of the National Labour Council. I can make no comment on the agreement now under discussion. I am not aware of all the details, but I must say that part of the group is covered by the guidelines in the white paper and, of course, we expect the members to respect those guidelines.

[*English*]

ANTI-INFLATION PROGRAM—REQUEST FOR NAME OF PERSON WHO WILL BE ADMINISTRATOR

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Finance which is almost a supplementary question. Would he now advise the House of the name of the person to be nominated as administrator under the anti-inflation legislation. I ask that question because of the great powers of that officer which have now been made more difficult by the rather extraordinary statement made by the chairman of the Anti-Inflation Board.

Hon. Donald S. Macdonald (Minister of Finance): No, sir.

* * *

AUDITOR GENERAL

DATE OF TABLING OF REPORT

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the President of the Treasury Board. Could the minister tell the House when the Auditor General's report will be tabled in the House?

Hon. Jean Chrétien (President of the Treasury Board): Tomorrow.

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EXTERNAL AFFAIRS

PARIS ECONOMIC CONFERENCE—POSSIBILITY OF CANADA BEING CO-CHAIRMAN—CANADIAN POSITION AT CONFERENCE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Can the minister confirm that Canada has been invited to be a co-chairman of the forthcoming Paris economic conference and what Canada's stand will be in putting forth practical ideas in trade and monetary reform to close the rich-poor gap in the world, ideas first presented through the UN's economic order and which now need specific implementation by countries like Canada.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The answer to the first part of the question is yes, Mr. Speaker. It has been suggested that Canada become a co-chairman of the conference. With regard to the second part of the question, it is very difficult at this stage to indicate the various policy developments or the policy responses that will be required within the four commissions that will operate under the over-all conference. We are presently working out very preliminary policy attitudes which will require elaboration as the work of this conference and of the commissions proceeds.

● (1500)

Mr. Cossitt: Mr. Speaker, I rise on a point of order. When I questioned the Minister of Manpower and Immigration (Mr. Andras) a few moments ago regarding a most serious change in immigration regulations which could affect both criminal and subversive activities in this country, he replied that I had not given him notice that I would refer to a directive sent out by Telex by one of his most senior officials.

I agree that I did not give him notice in advance, but my point of order contains two very brief points: first, I cannot see that any notice to a minister is required in advance, under the rules of the House, with regard to such high-level instructions which could or should hardly be given without ministerial approval. Second, with the greatest respect, I am certain that the supplementary question that I was not able to put referring to the Yates and Wynder cases would have quickly refreshed the memory of the minister so that he might then have provided the House with the necessary answer.

ROUTINE PROCEEDINGS

[*English*]

EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

Fifth report of the Special Joint Committee of the Senate and the House of Commons on Employer-Employee Relations in the Public Service—Mr. Herbert.

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AIR CANADA

TABLING OF ESTEY REPORT

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I wish to table, under Standing Order 41(2), copies of the Air Canada inquiry report in both official languages.

Mr. Prud'homme: Mr. Speaker, last Friday the hon. member for Greenwood (Mr. Brewin) raised a question in the House, and being a frequent reader of *Hansard* in both languages, I discovered that—

Some hon. Members: Oh, oh!

Mr. Prud'homme: I suggest that hon. members listen, and they might like to join me and read *Hansard* attentively. On page 9762 the title of the question raised by the hon. member for Greenwood reads: "Israeli raid on refugee camp in Lebanon—Suggested conveyance of government

views to Israeli ambassador". In French, the same title reads:

[*Translation*]

Le raid israélien au Liban—L'opportunité de la remise d'une note de condoléances à l'ambassadeur d'Israël

Mr. Speaker, I believe the situation is tragic enough without adding to it a note of irony and I would ask that the official record be accordingly corrected so that the two titles faithfully reflect the question asked in English.

QUESTIONS ON THE ORDER PAPER

[*Text*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,191, 3,335, 3,519, 3,557, 3,576, 3,584 and 3,621.

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

FRANCOPHONE EMPLOYEES IN THE DEPARTMENT OF THE SECRETARY OF STATE

Question No. 3,191—**Mr. Whittaker:**

1. What are the number of francophone employees working in the Department of the Secretary of State (a) how many are Canadian (b) how many speak French only?

2. Are they required to speak or learn the other official language and, if not, for what reason?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): 1. 1,438 Francophone employees. (a) In order to obtain this information, it would be necessary to check the personal file of each person. (b) 290 speak French only.

2. These Francophone employees must speak the other official language if they hold bilingual positions and, consequently, the unilingual people who apply for or hold bilingual positions must learn the other official language in accordance with the guidelines adopted in the Resolution on the official languages passed by Parliament in June 1973.

ASSISTANCE TO REGIONAL LIBRARIES

Question No. 3,335—**Mr. Forrestall:**

Will the Department of the Secretary of State give consideration to applications from the Government of Nova Scotia for funds to assist regional libraries such as the Dartmouth Regional Library and (a) if so, what procedure should be followed (b) if not, for what reason?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): No. (a) Not applicable. (b) Funding of regional libraries is a provincial responsibility.

Order Paper Questions

MULTICULTURAL PROGRAMMES AND ACTIVITIES

Question No. 3,519—**Mr. Forrestall:**

What is the role of the Treasury Board in monitoring the funding of multicultural programmes and activities conducted under the auspices of the Department of the Secretary of State?

Hon. Jean Chrétien (President of the Treasury Board): The Treasury Board does not monitor as such the funding of the multiculturalism program of the Department of the Secretary of State. The Department, however, must seek Treasury Board approval to pay any grant exceeding $20,000 from within the allotment authorized by Parliament. In the case of grants under $20,000, the Secretary of State is delegated responsibility to make payments in accordance with terms and conditions approved by the Treasury Board.

CASES OF ABDUCTION

Question No. 3,557—**Mr. Reynolds:**

1. Would the Minister of External Affairs advise what his progress is on the abduction cases of (a) Mrs. Stephanie Gribbon, Surrey, British Columbia, one child abducted and taken to Portugal in 1973 (b) Mrs. Jean Hobbs, Victoria, British Columbia, three children abducted and taken to the United States in 1972 (c) Mrs. Nicolette, Vancouver, British Columbia, three children abducted and taken to Italy in 1973 (d) Mrs. Mildred Clarke, Mission, British Columbia, five children abducted and taken to the Philippines in 1974?

2. Could the Minister advise if any legislation is being drafted which will assist in these cases?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. (a) In the case of Mrs. Gribben, in response to a request by the British Columbia authorities that the father be extradited from Portugal to face abduction charges in Canada, the Department obtained a legal opinion from Portugal that extradition was not possible in the circumstances and that Mrs. Gribben must seek a custody order in the Court of Minors in Portugal. In addition the Department has consulted with the local welfare authorities concerning the well being of the child. (b) The Department has not been contacted by Mrs. Hobbs. (c) The Department has not been contacted by Mrs. Nicolette. (d) In the case of Mrs. Clarke, the Canadian Embassy in Manila has informed the Philippines Department of Foreign Affairs, the Philippines Department of Justice and the Manila Metropolitan Police that the children are believed to be in the Philippines. The Embassy has been assured of the co-operation of these agencies in locating the children. To date, however, these agencies have not located the children. The Department of External Affairs has informed the Philippines authorities that, if the children are located and ordered to be returned to Canada, the Canadian Government is prepared to repatriate them.

2. The legislation of the jurisdiction in which the children are located determines the conditions under which they may be ordered by local authorities to be returned to Canada. The Department of External Affairs can only bring the matter to the attention of the local authorities and request their assistance in arranging for the return of the children to Canada.

Order Paper Questions

PARLIAMENTARY OBSERVERS AT UNITED NATIONS

Question No. 3,576—**Mr. Landers:**

1. Does the Department of External Affairs intend to send Members of Parliament and Senators to New York as UN observers in the future?

2. Will translating services be provided in the Canadian mission in New York to enable unilingual observers to understand the briefing sessions?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. Yes.

2. No. The officers of our mission and the members of our delegation in New York work in the official language of their choice in accordance with the bilingualism policy of the Canadian government. Most of the officers are bilingual. The informal format of the briefing sessions normally permits any unilingual participant to raise any question or seek clarification on any matter that may have been discussed in the other official language during the meeting.

DISABILITY PENSIONS

Question No. 3,584—**Mr. Forrestall:**

Is the Minister of Veterans Affairs satisfied that applications for disability pensions handled by the Canadian Pension Commission from applicants with serious disabilities threatened by imminent death are handled within a reasonable time frame?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Yes. The Canadian Pension Commission has a priority system which takes into account situations where there is an urgent social or medical need. Where the Commission is aware of the "imminent death" of an applicant, the claim is handled on a top priority basis.

WAR VETERANS ALLOWANCE BOARD—LAWYERS RETAINED IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,621—**Mr. McKinnon.**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the War Veterans Allowance Board during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Nil.

2. Not applicable.

GOVERNMENT ORDERS

[*English*]

CITIZENSHIP ACT

MEASURE TO ESTABLISH CONDITIONS AND PROVISIONS GOVERNING CITIZENSHIP

The House resumed, from Wednesday, May 21, consideration of the motion of Mr. Faulkner that Bill C-20, respecting citizenship, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

[Mr. MacEachen.]

Mr. Jake Epp (Provencher): Mr. Speaker, back on May 21, 1975, I first had the opportunity to make some brief remarks respecting my position on Bill C-20. At that time I pointed out quite clearly that the joint committee of the Senate and the House of Commons was conducting hearings across Canada relative to future or possible changes in Canada's immigration laws, and that the question of citizenship and its requirements were part and parcel of that discussion. It was my view at that time that the debate should be delayed until such time as the committee had had an opportunity to present to the House the findings it was able to make in its travels across Canada and at hearings in Ottawa. With your indulgence, Mr. Speaker, I intend to bring to your attention and to the attention of the House some of the recommendations of that committee as they reflect on Canada's present citizenship act.

Also in my brief remarks on May 21 I stressed the positive aspects of the bill, namely, that the bill will correct a deficiency which now exists in the Canadian Citizenship Act in that it is proposed that citizenship be granted to a child born outside of Canada if one of his or her parents is a Canadian citizen. It is a right that is presently only held by male members of our society but which should be extended to female members. That provision in the bill has my endorsation.

The second matter concerns lowering the eligibility age from 21 to 18. It stated on May 21 that those regulations should have been brought in when the Canada Elections Act was amended. That is another deficiency which Bill C-20 corrects. The central thrust of Bill C-20, as I see it, is the reduction of the waiting period for residency requirements and qualifications of landed immigrants, which at the present time is five years; that is, five years from the time an immigrant receives landed immigrant status when he can apply for citizenship and become a Canadian citizen if he fulfils the requirements.

The proponents of this provision argue that five years is an arbitrary figure and say that three years is more equitable. They say, also, that it reduces somewhat the arbitrariness of the act and the stigma of having to wait a long period of time which could make immigrants feel they are regarded as second-class citizens. I pointed out on May 21 that the residency requirements presently in effect in the United States, Britain, Belgium, West Germany, Australia and New Zealand are generally five years or longer. I am sure hon. members could also point to the fact that in some countries the residency requirements are less than five years, and that this period of time would be no less or no more arbitrary than the present requirement of five years in Canada.

However, I should like to point out that very few countries in the world could be termed receiving countries, that is, countries which receive significant numbers of immigrants yearly. Canada happens to be one of these countries. There are very few countries in the world which meet those qualifications. In fact, in the last five years Canada has welcomed to its shores approximately one million immigrants. So I suggest that our citizenship requirements have slightly different ramifications from those of countries which have very few people coming in as landed immigrants.

All of us should ask ourselves whether we have given immigrants an adequate opportunity to adapt to the Canadian way of life. During the hearings of the joint committee the question of adaptation received a fair amount of attention and discussion. We found, for example, that generally speaking—I know we have to generalize in circumstances such as these—studies show that immigrants have an income equal to or higher than the average income of native born Canadians shortly after they come to Canada. So the economic adjustment that immigrants make is relatively quick and generally painless, and the positive factors are there not only for the immigrants but for Canada as a whole.

● (1510)

On the matter of language, it was found that despite the horrendous problems they were exposed to in places like the Toronto school system—if my memory serves me correctly, at one Toronto school there were about 18 mother tongues represented in one elementary classroom—and despite what one might call the pedagogical problems that situation represents, generally children of immigrants adapted to either one or both of the official languages of Canada in relatively short order.

The government must keep in mind that much more has to be done at the tripartite level. The federal government must assume more responsibility, in my view, and when immigrants come into Canada they should not then say to the provinces and municipalities, "Here they are. You are responsible": the federal government has to go beyond that. I am sure all hon. members recognize that the residency qualifications are really for one purpose, and that is for the immigrant to be able to adapt to the Canadian way of life upon which is based his citizenship. At least to some degree adaptation has to be made.

It was also very clear that we were not very successful in having immigrant women adapt to the Canadian way of life and become part of the social milieu. This was quite clearly pointed out in the immigration brief. I should like to read a portion of it into the record. I am reading from page 53:41 of the report of the Special Joint Committee on Immigration Policy as follows:

> Attention was also directed to the particular plight of immigrant women, and especially wives and mothers. When they are not in the work force they have little opportunity to learn the language and make personal contacts, advantages enjoyed by their husbands and their school-aged and working children. Many of them remain in the home isolated by language differences, and can become estranged from the community and even from their own families.
>
> It was pointed out that language training is the single most important need of these women. The committee is aware that federal funds are made available to the provinces to finance courses organized through the adult education division of the schools. But committee members gained the impression that not enough attention has been paid to this program by the responsible authorities and recommends that it be reviewed.

I think the evidence is quite clear that whether it be five years, three years or whatever, we are not doing enough to give members of the immigrant community an opportunity to adapt to the Canadian way of life, specifically with regard to language to which I have already referred. If people come to Canada and take Canada as the country of which they want to become citizens, we must ask ourselves what is the proper waiting time. I fully admit that whether it be five years or three years, it cannot be argued as an arbitrary time. I recognize that. I think we must consider what we are going to do in the three-year period or the five-year period, whatever the case may be, to make immigrants who are potential citizens feel at home and encourage them to make the contribution of which they are capable.

So often in our society we stress rights; we stress also the rights of immigrants, for instance, when they are being interviewed in the country of which they are citizens. When they come to Canada we also point out their rights. I believe we should stress more the obligations in a democratic society. Not only does this apply to immigrants but also to native born Canadians. I think there has been a glaring deficiency in that part of our educational program. We have not given enough thought, direction and thrust to the training of immigrants and our young people as to the obligations a democracy imposes.

I would like to point out that by the teaching of obligations we will not create negative reactions; I feel that this would do just the opposite. In order to create in our immigrants and our young people a love for Canada, regardless of the period of time we are considering, the minister, the government and Canadians generally should consider this matter seriously and work out a citizenship training period and citizenship courses which will create for all of us a commonalty as to what we think Canadian citizenship means and what its rights and obligations are.

I should like to point out that at the present time we are receiving a number of immigrants who come from countries which do not have strong democratic traditions. It would be for the benefit not only of Canadians but also of immigrants if we taught them not only language, economic adjustment and social adjustment, but also their obligations in their new country. For too long our public schools and citizenship courses have been lacking in this area. I am not preaching an extreme nationalism. I know that for many years Canadians have almost recoiled at the thought that we should try and push nationalism. I am not looking at this matter in terms of negative nationalism or blind allegiance but, rather, as something which should be done in a positive manner.

As we consider Bill C-20 I must be very frank and say that I have certain views on the five-year limit, but when I consider the statistics with regard to people who came before the committee, who wrote to the committee in letter form or prepared a brief, I find that Canadians are rather inconclusive as to whether it should be made five years or reduced to something less or, as the bill suggests, to three years. In respect of that issue I should like to read into the record how the committee thought Canadians generally viewed citizenship requirements and changes which might be possible. I read from page 53:49, paragraph 12 of the same report:

> Most persons expressing these concerns felt that government has lost control of the immigration flow. Submissions revealed a lack of public confidence in the ability of government to manage the size of immigration movements, the racial and ethnic composition of the Canadian population, and the settlement of newcomers in underpopulated regions and away from the large cities. The ability of Canadian communities to absorb newcomers, and the role of government in aiding immigrants in their initial settlement and integration, were also primary concerns.

Many people in Canada, as they viewed our immigration laws, made one point time after time. I do not have time to go into the statistics, but the point they stressed was that the reaction to immigration today—many briefs pointed this out—was largely spawned or largely due to the fact that people felt in many areas the government had lost, so to speak, the handle or control of immigration flows. For that purpose I should like to read from page 53:42 of the same report:

Many submissions received by the committee suggested that if Canada's record of successful multicultural adaptation is to be maintained, more attention must be given to the development of programs related to cross-cultural and inter-racial understanding . . . Should an assessment show a need for significantly expanded national, community and school programs to promote intercultural harmony, the committee believes—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member for Provencher (Mr. Epp) has the floor. If other hon. members have anything to say, I wish they would wait.

Some hon. Members: Hear, hear!

Mr. Epp: I will repeat:

Should an assessment show a need for significantly expanded national, community and school programs to promote intercultural harmony, the committee believes the federal government should explore with the provinces ways of encouraging and implementing such programs.

● (1520)

I believe we will only have to teach immigrant Canadians that this is a bilingual, bicultural country, but also that it is a multicultural country. These should not be empty words, either. The program should not be constantly threatened by cutbacks or, as is presently the case, by extinction. All we have to do in this regard is look at the testimony of the Canadian consultative committee which has said that the Minister of Labour who is responsible for multiculturalism has virtually abandoned his portfolio. Rather, we should look upon multiculturalism, and the contributions these Canadians can make, as a positive force.

I look forward to the committee hearings when the minister and his officials can outline the advantages of reducing the period of residency qualification from five years to three. If this is the time that is necessary for immigrants to adapt socially, economically and culturally, I should like to see it demonstrated and know what programs the minister has in mind to encourage the use of immigrant talents and abilities. One part of the bill which I cannot support in any way is clause 5 on page 4. I should like to read it into the record:

5. (1) The minister shall grant citizenship to any person who, not being a citizen makes application therefor and

Then follow the paragraph:

(b) (i) for every day during which he was resident in Canada before his lawful admission to Canada for permanent residence he shall be deemed to have accumulated one-half of a day of residence—

The way I understand that provision is this: it means that an alien—let us not even say "illegal immigrant", because I do not believe you can use the two words in the same context—who is here illegally for six years, under the terms of that clause can be given citizenship on the ground that he has fulfilled three years of the residency requirement. For every two days in Canada, one day is counted toward his residency qualification, so I read it the minister is saying that parliament will now make legal what to date has been illegal. This is preposterous, Mr. Speaker. I wish the minister could give us an assurance that this clause will be deleted from the bill. It certainly would improve it. I say that because I do not want to make legal something which is illegal.

All around the country immigration officers at private talks stressed time and time again that they needed manpower and sophisticated investigative devices to cope with the large, international movement of illegals. They stressed that the type of illegal they come in contact with often has international connections, sometimes criminal, particularly with drug trafficking on an international scale. They asked for the tools to do a good job either at the primary inspection line or the secondary inspection line.

The immigration program in the last few years has suffered because in the minds of Canadians the alien who enters Canada illegally has been equated with those who came legally and wanted to make a contribution to the country. As the clause stands, it gives the appearance that the minister is in favour of legalizing something that is presently illegal, and it forces members of the House to condone something that is wrong. It also erodes the confidence that we should have in our immigration officers and RCMP special officers who are concerned with these movements every day. For the life of me I cannot find any purpose in this clause.

In his speech, the Secretary of State (Mr. Faulkner) did not say why he felt clause 5 was necessary. We hear all kinds of estimates of the number of illegals in the United States and Canada, but I am sure no one knows exactly what the figures are. Canada is attractive and people want to make a home here, so it is natural that a number come this way. But surely the minister does not wish to see a clause in the bill which will erode the work presently being done by his officials. If he knows of some good reason why this clause should be included, I should like to hear it, but I think the bill would be enhanced if it were amended.

Another clause that I should like to deal with concerns the hearing before a judge of the citizenship court. The judge has no right to defer the application. Sometimes the judge may feel that the applicant is not ready for citizenship and that a review in six months' time would be in order. If the bill is passed as it stands, however, the judge must hear the case and within 60 days he must make a decision. If the application is denied, the applicant is informed of his right of appeal, and once that process is carried out that is the end of it. I feel that if a judge considers that a delay of six months or a year will help the person adjust to Canadian life, a delay should be granted.

Bill C-20 makes many positive contributions, but we must ask ourselves, first, if the change from five years to three years will ensure that people have truly become Canadians, are proud of Canadian life and will make a contribution to Canada. We must also ask if a person who has been in Canada illegally should be allowed to use 50 per cent of that time to go toward the residency qualification. I look forward to the committee hearings, Mr. Speak-

er, and I hope the minister can give us some positive reasons why the bill should be accepted by members of this House.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, on May 21 last the hon. member for Sault Ste. Marie (Mr. Symes) gave this party's view of Bill C-20, saying that in general we approve of the changes embodied in it and we propose to support it on second reading. There are one or two observations that I should like to make, however. One of the reasons we approve of the bill is that it represents a step forward in establishing equal rights for women. In many respects the previous act was discriminatory. Under it, a person born outside Canada who had been lawfully admitted to this country and whose father or, in the case of a person born out of wedlock, whose mother was born in Canada was considered a natural born Canadian citizen.

Under the new act a person born outside Canada will be a Canadian citizen if either of his parents were Canadian citizens. There is no distinction between men and women in this respect. Under the old act there was provision for a father to apply for citizenship for a minor child, or for a mother to do it in the case of an illegitimate child. Under the new act each parent will have an equal right to apply.

● (1530)

Further, under the new act spouses will be treated equally when they apply for Canadian citizenship. That is to say, both men and women when applying will need to be 18 years of age or older and to have lived in Canada for at least three years. Under the old act the spouse of a Canadian citizen who had resided in Canada was entitled to apply for citizenship, I think after one year. Under section 10 of the new act any woman who has lost her citizenship by reason of marriage or the acquisition by her husband of foreign nationality may require citizenship by giving the minister notice in writing that she elects to be a citizen. There appears to be no such provisions in the old act.

Incidentally, at least two of the bill's provisions owe their existence to private members' bills put forward by the hon. member for Winnipeg North Centre (Mr. Knowles). He, in turn, secured the ideas for these amendments from someone to whom I wish to pay tribute, Grace MacInnis, formerly a member of this House. My party has a long history of supporting equality for women, particularly in the important field of citizenship. One of the basic changes in the new act is that the age for application for citizenship is reduced from 21 years to 18 years. Most of us think that is a good idea. We grant citizens the right to vote at age 18 and there is no reason why non-citizens who otherwise qualify should wait until they are 21 before they can apply for citizenship.

I have already, by implication, referred to the reduction to three years of residence in Canada as a necessary qualification for citizenship. In the original act, five years residence was the qualification. In our view, three years residence in Canada is enough to determine if an applicant has adequate knowledge of Canada, of the responsibilities and privileges of citizens and of one of the official languages. These are still requisites or, at least, alternative requirements, for the granting of citizenship. If a person in a period of three years can satisfy the citizenship court, that should be enough. The ability to become established in Canada can surely be determined within a three-year period. Indeed, evidence and experience show that although most new immigrants may experience initial difficulties in adjusting to Canadian life, they can and do adjust very well within three years.

I am glad to note that the minister's power and discretion have on the whole been considerably reduced. Under section 10 of the old act it is provided that the minister may, in his discretion, grant a certificate of citizenship, etc. The bill now being debated provides that the minister shall grant citizenship and the matter is then referred to the citizenship court. This is a step away from arbitrary ministerial discretion to a judicial decision. I am sure the minister will be glad to have this burden taken off his shoulders.

I regret one thing: by virtue of section 18, the act continues to preserve an unfettered power to the governor in council to intervene and prevent any judicial hearing or appeal in a case in which the governor in council declares that the grant of citizenship would be prejudicial to the security of Canada or contrary to public order in Canada. I am not clear what the last phrase means. It is made clear that the exercise of this power is put beyond review by the citizenship court or, indeed, any other court. The declaration by the governor in council is stated to be conclusive.

It has been my experience that the worst cases of denial of citizenship fall within the category in which security reasons are put forward as grounds for refusing the grant of citizenship. In the past, at least, these so-called security reasons were sometimes based upon the failure of the police to distinguish between radical or left-wing opinions on the one hand and danger to the security of the state on the other. Sometimes they were even based on cases of mistaken identity. I do not believe that this power should be exercised without provision for appeal or any sort of review.

I appreciate that it has often been said that such absolute and arbitrary powers are required because security demands that the sources of information should not be disclosed. There is a way round this, as we discovered during the Second World War when many people of German, Italian and Japanese origin were interned, without reason given, on so-called security grounds. But the regulations were amended to provide for a tribunal composed of a judge of superior or county court rank to review these detention orders. No one was required to disclose publicly the sources of the information on which the detention was based. Some particulars were required to be given to the person detained by order in council. I never heard it suggested that this quasi-judicial type of hearing interfered in any way with the security and safety of the state.

On the other hand, many who were detained were ordered to be released and injustices due, no doubt, to overreaction and overzealous action on the part of those responsible for the internment were righted. Those people were released. I never heard of any harm coming from this process. Indeed, it represented an extension of justice and freedom in wartime when we were very sensitive about questions involving security. If that could be done in wartime, I see no reason for not doing it in peacetime. I suggest that those denied citizenship should be given the right to that sort of quasi-judicial inquiry. Sources of

information could be kept secret. I suggest that we need some form of review to be undertaken by a judicial authority.

I am interested and pleased to note that the requirements for citizenship do not include the provision of the old act, that the applicant must be of good character. Instead, there seems to be substituted the necessity of showing an adequate knowledge of Canada, of the responsibilities and privileges of citizenship, and a "substantial knowledge of Canada." This is an improvement. Obviously, it is difficult to judge the good or bad character of would-be citizens, just as it is difficult to divide native born Canadians into sheep and goats. That must be left to a higher judgment. Yet the requirement for some knowledge of Canada and the privileges of citizenship is useful and reasonable. It is too bad it cannot be made retroactive and applied to all native born Canadians or to those who have the privilege of being citizens. However, I am comforted by the alternative provided, namely, a substantial connection with Canada. I find it unclear whether an adequate knowledge of Canada or of the responsibilities and privileges of citizenship is an alternative to the knowledge of languages. The clause as drafted appears in legal terms to be disjunctive, in other words, to make these alternatives.

● (1540)

One thing interests me. I see reference to the official status of a citizen of the Commonwealth provided for. The minister is not here at the moment. I do not know why not; he should be here. I would like to ask him some time, when he does deign to be present when his legislation is being considered, what is the significance, if any, of being a citizenship of the Commonwealth in Canada. Is this just a word, or does it mean something in actual status? However, taken all in all, this bill deserves our support, certainly at this second reading stage.

Canadian citizenship is of great importance. It is an essential element in our democratic system. It is a matter of special pride to those who have made their homes and plan to live their lives in Canada and are anxious to assume the responsibilities of full citizenship and exercise the full privileges of that status. It is important, therefore, that anomalies, arbitrary provisions and unnecessary obstructions to citizenship be removed. That is the direction of this bill and that is why we support it at this stage.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I thank the hon. member for Greenwood (Mr. Brewin) for his analysis of the bill. He approached it in a manner that attempted to dissect the meaning behind some clauses contained in the bill that could in future be a possible source of surprise. It might be worthwhile to devote a couple of minutes to a brief explanation of the motives that lie behind the decision of a person to apply for Canadian citizenship. It may not be necessary for most members of this House, but it might be helpful to some on the other side who seem to waiver, as did the hon. member for Provencher (Mr. Epp), between the merits of the three-year residential requirement as opposed to the five-year requirement.

The moment a person decides to leave, cross the ocean and come to Canada, he has made a major decision. It means severing friendships, bonds and roots in the country of origin in order to emigrate to a far away land called Canada. The making of that decision is the beginning of a commitment of certain importance. The person arrives in Canada. He is struck by a variety of feelings and sensations, such as a great sense of space, freedom of movement, mobility and, of course, a great sense of opportunity is grasped by that person, depending upon his or her abilities. That experience upon arrival usually further cements the process of eventual full attachment to this country through the conventional process called acquiring Canadian citizenship.

I am sure some members of this House will share the view that becoming a Canadian citizen is a process which begins many years before in the life of such a person. It is finalized at a certain point of life in Canada when the immigrant comes to the conclusion that this is exactly what he wants to do about his future as a citizen of this country. Against this background, the decision in the homeland, the emotional experience upon arrival and in the years following, and the development of a profound attachment to and fondness for a country in which one did not happen to be born but has conscientiously chosen, the number of years to which the hon. member for Provencher attached so much importance becomes almost irrelevant. It is arbitrary whether it is five or three years.

This bill provides an open door for those who after three years are ready to become members of the Canadian family. In other words, for those who are ready, they can take this step relatively early in their phase of adjustment in Canada. They can simply come forward without having to wait five years. It could be after one, two, three or four years. We could debate this matter for a long time. The fact remains that you provide for a number of years that seems to be reasonably short for those who are ready, early, to take the step. As an example, I would refer to the Czechoslovakian refugees who came here in 1968. They asked for Canadian citizenship on the day they had been here five years. I suspect they would have done the same after three years, or four years. They were ready. They knew it. This was their future. This was their country. They came forward and asked for the Canadian citizenship. I really do not know what else can be said about this question of years. It must be understood against the background of the experience of the individual.

The experience of an individual also seems to have some relevance in the question of language and the question of knowledge. Before getting into that matter, however, I wish to refer back to the time this debate began on May 21 last. Some interventions by members opposite seemed to reflect a concern that under the proposed act British subjects could obtain citizenship after two years of residence. That impression is not supported by the bill. As I understand it, a British subject will have to be here five years just like everyone else.

The hon. member for Sault Ste. Marie (Mr. Symes) seemed to be under the impression that time spent in Canada under permit from the Minister of Manpower and Immigration could not be counted toward residence. It can be counted. As the hon. member for Provencher indicated earlier in his opposition to the clause, every day spent in Canada by a person who is not a landed immigrant counts as half a day.

Perhaps one might give this example to the hon. member for Provencher to convince him about the merits of this measure. If you have a person here on a minister's permit who is not a landed immigrant, it could be a mother aged 62 who came here as a tourist and who is in the process of being landed—sometimes it takes years—this person may be here for some time before she becomes officially landed. You have also people in other categories. It stands to reason that people in those categories should be given recognition for their residence in Canada. They are here not as landed immigrants, they are here only on a minister's permit, but they are exposed daily to the Canadian environment, to Canadian institutions and they breathe the Canadian air, so whether they are here as landed immigrants or on a minister's permit, surely something can be done to recognize this, in terms of the fact that they are here, if they wish to become Canadian citizens.

● (1550)

I think you can approach this bill from the viewpoint of one who counts hours and days and scrutinizes details, or from the point of view of interpreting Canadian citizenship as, of course, a great gift that is made available to anyone who comes forward and wishes it without really becoming involved in the calculation of half days or full days, or three years or four years. Citizenship is too important to be treated in that way. If it were to be treated in that way it could lead to the dangerous situation we have in some places like Montreal, where there are stagnant pockets of landed immigrants who are very slow in coming forward to request citizenship. This is not good for the country. It is not good for our society if a person who has been here for 10, 15 or 20 years has not, somehow, found the motivation or the channel for coming forward and applying. Something is not quite right there.

Before I am misunderstood, I should like to to stress this point. It is a great characteristic of Canadian citizenship that so far we have resisted the temptation to provide advantages in the law if a person becomes a citizen. In other words, we have kept Canadian citizenship pure, as a thing to be desired if you want to have it: we have not said a person will not be entitled to or will not be qualified for social security measures, or will not have access to certain services and to certain things in society that are desirable. We have resisted that temptation and treated landed immigrants and citizens virtually alike, with very few exceptions. This is why I take exception to the recommendation in the orange paper on immigration which says you would be entitled to sponsor your parents at an earlier age than at present allowed under the law—I believe it is 60—if you have become a Canadian citizen.

I would resent it very deeply if we were to implement that recommendation. A father is a father and a mother is a mother, and the desire on the part of children who are landed immigrants in Canada, who work to raise their children, who pay taxes, should be looked upon on the merits of that very close family relationship, regardless of whether or not the sponsor is a Canadian citizen. I think we have been doing very well over the years in not making such a distinction and we should keep up this fine record.

In this bill there is a provision in relation to knowledge. Perhaps the minister would like to have a look at it before he appears in the committee. In the bill it is said that the minister will have the power to waive the requirement for knowledge. I would consider that to be a poor practice if it were ever to become an administrative practice. It seems to me that the present way, whereby we require an applicant to memorize answers, to know the names of capitals, to know the name of the Governor General, when it comes to people who are in their fifties or in their sixties who have worked all their lives here, raised their children and sent them to school and done all their duties as citizens, is not reflective of an understanding of what citizenship really means from the viewpoint of the applicant.

It doesn't make sense to encourage people to memorize mechanically certain things. Surely an old lady who came from Europe 55 years ago and comes forward to apply for Canadian citizenship does so for deeply-felt reasons. If she should be judged at all, which I doubt, it should be in the form of a conversation between a judge and herself, a kind of preliminary welcome into the Canadian family, certainly not on the basis of whether she knows certain things which have to be learnt mechanically, which have nothing to do with the maturity of that individual nor with her sense of understanding of the country, because whether or not you know that the capital of Prince Edward Island is a certain city, which for the moment escapes me, has little to do with citizenship.

The hon. member for Gloucester (Mr. Breau) is prompting me to say that it is Charlottetown. Surely, whether you know the name of the longest river in Canada really has nothing to do with citizenship. But over the years I suppose it was necessary to develop some kind of measurement, particularly when you had a large number of applicants, to determine whether a particular applicant was ready or not. I would much prefer to see a system under which, instead of giving the minister power to waive the requirement for knowledge, which is just a bureaucratic invention, we held classes within a community.

First, we would find out from the viewpoint of the applicants what they would be interested in knowing about Canada. Having established that, and not having decided a priori what is of interest to them but what is of interest to applicants across the country, there would be a fairly uniform pattern. We could then offer courses, and having conducted a certain number of courses for these applicants in a certain way, they would be given a little piece of paper—called whatever you like—and with that piece of paper the applicant would demonstrate to the judge that he or she had taken a certain kind of course. I have in mind a course which would explain the economy of Canada, where our national resources are, where our industries are, what our historical relationship is with other countries, and a few other matters.

I am sure this would be a much more interesting and stimulating experience from the viewpoint of the applicant than having to know the names of capitals or the names of rivers. Therefore, I would say that knowledge of Canadian geography and knowledge of the official languages should not be stressed as a qualification, because we know they are very good citizens in the far north, in the Arctic region, who perhaps do not speak a word of English or French yet they are Canadian citizens. We have Indian people, also, who are not very fluent in either of the two official languages; nevertheless they are fine citizens of our country.

● (1600)

I was glad to learn that we are going to have a new oath of allegiance, to be called the "oath of citizenship", permitting the applicant to identify more with Canada as a country. It would be great if one day we had an oath drafted in simple language, language that everyone can understand with wording less complex and obscure than "fulfil", "heirs" and "allegiance". This would permit applicants to become even more aware of the great step in life they are taking in becoming citizens of Canada. It would give them a deeply felt attachment to and pride in this great country of ours.

The hon. member for Provencher (Mr. Epp) touched briefly on the powers given a citizenship judge to defer applications. My understanding is that a judge does not have these powers under the legislation; the power is given in a regulation that is rather obscurely worded and has been interpreted over the years as being power to defer. As opposed to that, this bill espouses the concept of the power of refusal on the part of the minister for a period of two years, and this will probably remove a certain area of discretionary decision-making on the part of judges. In other words, it is either refusal or not. I should like to defer debate on this subject for clarification to committee, where we can discuss the merits of the former approach and the one contained in the bill. Both need to be examined in greater depth.

Reference was made on the last occasion to the provisions contained in clause 33 and I should like to touch upon this briefly. A few weeks ago a report was tabled in the House by the Prime Minister (Mr. Trudeau) under the heading "Federal-Provincial Committee on Foreign Ownership of Land". The report deals with the question of citizenship in relation to land acquisition in Canada. For some time now many of us have been very concerned about foreign interests buying land in Canada, people who are neither Canadian citizens nor landed immigrants. This practice has caused great concern, as already demonstrated by legislation passed in P.E.I. It has also caused real hardship in terms of pushing up the price of land in some of our more densely populated areas, something that in times of inflation particularly commands our attention.

It seems to me that although Canada's territory is vast, we have come to the point where we have to decide whether foreign investors, no matter from which country, should be allowed to invest substantial funds to acquire land in Canada. In the end, this inevitably has the effect of increasing the price of this valuable commodity. The report on land ownership makes a recommendation that I would very much support on this rather delicate question. At page 42 the report is dealing with the acquisition of land and has this to say:

> This could be accomplished by an amendment to the Canadian Citizenship Act or some other enactment, providing that aliens could acquire land and interests therein subject to such conditions and terms, including complete prohibition, as might be imposed by the Lieutenant Governor in Council of the province where the land is situated. Such conditions might be made subject to limitations such as the following, e.g., that they may not: restrict on the basis of citizenship acquisitions by bona fide landed immigrants intending to become citizens; conflict with Canada's international legal obligations; discriminate as between aliens on the basis of their different nationalities . . . ; hinder foreign states in acquiring property for diplomatic and consular purposes.

If this is a viable route to follow, it seems to me that we will require, either in this bill or in legislation to follow, a measure providing that the acquisition of land in Canada be permitted only in the case of Canadian citizens or landed immigrants. Another question we should ask ourselves is why some people do not take out Canadian citizenship. Surely the reason for this deserves examination. The Secretary of State (Mr. Faulkner) has done extremely good work in recent years by opening up citizenship courts in places removed from the more structured high-rise type of office building in the downtown areas. In other words, he has tried to reach out into the community in offering this specific service.

I suggest we are at the point now where we must go even further. A citizenship judge should become an activist in the community. There are isolated pockets of landed immigrants where people should be Canadian citizens but are not. Judges could let them know where services are available and they could become active participants in the community, particularly in large cities where they could become more visibly involved in the life of the community.

In conclusion, there are other aspects of citizenship with which the bill does not deal. For example, citizenship begins when a person decides to become an immigrant and receives landed immigrant status. After his arrival in Canada, he becomes integrated with the community of his choice, he builds a future for himself and his family over the years, until he or she feels they are ready to take this final step. At the time of taking up citizenship, on that day that person comes out of the minority group to which he or she belongs: sometimes just for the evening, sometimes for the day, sometimes for the duration of the ceremony, sometimes for a month and sometimes even for good. Mostly we find this to be a person who moves comfortably and lives happily at ease in both communities, namely, the major Canadian community as well as the small community from which the citizen has come.

● (1610)

One fact is clear. That to become a Canadian citizen in the lifetime of a person is a conscious act; it is the will of that person, a great experience which reflects a deeply-felt love and attachment for the country. It is for this reason I shall conclude by saying that the measures contained in this legislation should be looked at against the background of the typical applicant who comes forward every day in our courts. He is to be judged accordingly.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, it gives me great pleasure to speak on this bill, which has caused me considerable difficulty. It gives me particular pleasure to follow, in the debate, the hon. member for Davenport (Mr. Caccia). I think many of my colleagues share the feeling I have. It is easy for me to understand the judicial import of this legislation and the techniques and logistics involved, but being Canadian by birth it is impossible for me to share the emotion which I am sure must be felt by the hon. member for Davenport and those for whom Canada is their chosen country. I was very interested in what the hon. member for Davenport had to say and I shall comment on it during my remarks.

I was particularly interested when he said it should be the function of the government to reach out into the

community. I believe the Secretary of State (Mr. Faulkner) is calling this his out-reach program. I suggest it has not reached the area I represent and I rather suspect this is the case with respect to the majority of members of this House. I think I part company with the hon. member for Davenport when he says it should be the judiciary which does the work. I am more inclined to think it should be the citizenship branch.

Before coming to grips with the bill itself, may I say I have very grave reservations about the citizenship branch being part of the office of the Secretary of State. It seems to me the citizenship branch is so closely allied with immigration that to put it into two separate ministries makes no sense. I have a great advantage in my riding in having vitally interested and dedicated citizenship officers both in Kitchener and in London. No government officials have given me more co-operation than those two officials. While they have never told me so, I am aware of the difficulty they have through not being with the department with which they have the closest connection and that, obviously, is the Department of Manpower and Immigration. It is beyond me why we continue with this farce of having the citizenship branch under the Secretary of State.

In respect of Bill C-20, I hope later in my remarks to be a little more charitable, but at the outset may I say it is my opinion that this bill has been gathering dust in the citizenship branch for years and all through the twenty-ninth parliament. It is absolutely ridiculous that we are sitting here in the closing days of 1975 debating whether an 18-year old can apply for citizenship. It is absolutely unforgiveable.

Let me relate what has happened in my riding. There are two young men in my riding whose character, education and integrity are beyond question. One wishes to serve his country in the armed forces and the other wishes to serve his country in the RCMP. They were arbitrarily prevented from doing so because their father, for his own good reasons, did not wish to apply for Canadian citizenship. These young men, aged 18 and 19, who wanted to serve their country in the RCMP and the armed forces were arbitrarily excluded from so doing because the Secretary of State sat on this legislation for so long.

When we gave these people the right to vote and to enter into contracts, why did we not give them the right to citizenship? The Secretary of State in the twenty-ninth parliament when we had a minority government could have brought in this legislation to reduce the age to 18 and it would have been passed immediately, but he has sat on it for years. I am not the only one who has introduced a private member's bill to reduce the age. Members of this House from other parties have had similar legislation on the order paper which never has been accepted by the Secretary of State.

The bill received first reading in October, 1974. Seven months later we got around to having the second reading debate. Now, well along in 1975, we are just getting into the third day of debate on this very important piece of legislation. I hope the Secretary of State, as is his habit, will not stand up in this chamber and say that we have to rush this bill through, the way he did in respect of the legislation concerning *Reader's Digest* and *Time* magazine. There is no way I will be impressed with the need for haste in respect of a bill which for three or four years the Secretary of State has not been able to get the cabinet to act on in order to get the legislation before the House.

An hon. Member: Don't be political.

Mr. Jarvis: I will not be political about this bill. I intend to speak on it and I hope you will stand up and speak on it, too. With one qualification, I agree with the object of this bill as described by the minister. There are three objects. The minister wants a bill that will be equitable, he wants a bill that is logical, and he wants a bill that is liberal. Those were the three hallmarks in the speech he made in Calgary.

There has been one change. The hon. member for Saint John-Lancaster (Mr. Landers), speaking on behalf of the Secretary of State, agreed that it should be equitable and logical but suggested that the word "liberal" should be changed to "consistent". I am delighted. I compliment the Secretary of State and the hon. member for Saint John-Lancaster, because to me "liberal" and "consistent" were never synonymous. To achieve these three principles, the minister has rejected the principle of citizenship being a matter of ministerial discretion because—and I quote the minister—this permits the possibility of arbitrary exercise of authority without public or legislative sanction. Therefore, citizenship is to be a right rather than a discretionary act. There is a great deal to be said for this and I can see very great arguments on both sides.

This raises, for me, at least two basic questions. First, why are we always talking about rights rather than responsibilities? It seems to me that in this decade we have had an evasion in respect of coming to grips with responsibility to our fellow citizens and we have become preoccupied with our rights. We are so preoccupied at times that we ignore the fact that every right has a corresponding responsibility. When the minister talks about the right of citizenship, he would encourage me to join forces with him if he spent a little time talking about the responsibilities which flow from that particular right. In all fairness I should say that the hon. member for Saint John-Lancaster, in the speech I mentioned earlier, instead of referring to the right of citizenship referred to the qualified right. The hon. member for Saint John-Lancaster is getting closer to the kernel of truth than the minister in his Calgary speech or in his speech in the House.

● (1620)

The second question that this raises is that the bill retains positive ministerial discretion; in other words, the minister can award citizenship but he cannot withhold it. I have to ask this question: If negative ministerial discretion is to be deplored, why is positive ministerial discretion to be acclaimed? To me, this is inconsistent. If there is to be ministerial discretion, why must it only be to award citizenship rather than to withhold it? I hope we will hear from the minister or from a government spokesman in that regard. I would suggest that when this bill goes to committee we should be talking not just about the details of the bill but also about the philosophy behind it, because from reading the minister's speech, not only the one in the House but the one in Calgary, I conclude that he has never

come to grips with the philosophical and emotional aspects of this legislation.

I should like to deal for a moment with the part of the bill which deals with British subjects because there is a major change in status there. Frankly, I am not so concerned about the change in status; my major concern has been—I can use no other words to describe it—the absolutely rotten job the government has done in getting information out to British subjects. There were changes some years ago in the Canada Elections Act, which became effective last June 25, under which British subjects were no longer allowed to vote in federal elections. I will not re-fight that battle because that is the law of the country. I raised questions in the House of Commons 2½ years ago and the minister was courteous enough to send me a letter referring to the campaign to inform British subjects of the change. He wrote:

> In the promotion campaign in the media which will accompany these new programs, provisions have been made to draw the attention of British subjects to their electoral rights and their relationship to the Citizenship Act.

I have never heard of this promotional campaign. I read five or six newspapers a day, and I have never seen one word coming from the Secretary of State advising British subjects of their change in status or their change in voting rights. Let me say what I did in my riding. I have quite a number of British subjects, although I have more of German descent. Nevertheless, I had a public forum in my riding in co-operation with the citizenship branch. I repeat, their co-operation was absolutely splendid. We informed these people of their status. I am told that there have been more applications for citizenship from British subjects in my riding than in any other riding in western Ontario. I say that not to take credit for it but simply to indicate that if the Secretary of State had done a proper job probably every riding in Canada would have had a proportionate number of applications for citizenship. The minister has failed miserably in his responsibility in this area.

Some hon. Members: Hear, hear!

Mr. Jarvis: This is not just to encourage British subjects or anyone else to apply for citizenship. I do not think we should be salesmen of citizenship. That is something that should come from within, from the heart of the person who has to make that decision. But let me point out that the minister has done nothing to indicate to British subjects that many of them are automatically Canadian citizens. For example, consider the war brides, those who came in the 1940s. Most people do not know that they are Canadian citizens by the operation of the law.

My colleagues may ask, what does it matter so long as they are citizens? It matters when they come to vote or when they apply for a passport. All of us have been faced with the deadline when our passport application has been refused because of lack of proof of citizenship. It certainly matters there. It also matters at the border if you do not have that proof of citizenship. It seems to me that if the Secretary of State intended to honour what I thought was an undertaking in his letter to me of July 17, 1973, he has done a horrible job of it.

My final comment with respect to British subjects is that the new bill makes us citizens of the Commonwealth. I do not know what it is, and I am most anxious to find out. I think it would be interesting to hear and I hope that someone on the government side will address himself to that question during the debate.

With respect to the removal of judicial discretion and the right to citizenship, the hon. member for Davenport or the hon. member for Greenwood (Mr. Brewin) welcomed the removal of the criterion that an applicant be of good character. I quote as follows from the minister's Calgary speech where he said the following:

> —I think that citizenship judges have interpreted the phrase with responsibility and good sense. But here, as in the case of the discretionary powers of the minister that I discussed earlier, the application of the requirement was necessarily an arbitrary thing. It seemed to us that instead of that nebulous phrase, specific criteria should be set down which could be invoked without fear of abuse.
>
> Under the new bill, certain sections of the Criminal Code and the Narcotics Control Act provide these necessary guidelines. About these guidelines there can be no dispute. After all, a person either has done certain things or he has not; he is certain things or he is not. The removal of the words "good character" is, in our opinion, an important step in the direction away from arbitrary law.

What concerns me is that there has been no indication that I have heard or read in the minister's speech that complaints have been received that citizenship judges have acted arbitrarily. I may be blessed with a rather outstanding one in my riding, covering generally the London area. Frankly, he is a vital person in our community and I welcome his visits to my riding. All hon. members who are served by His Honour Judge Calder welcome him in their ridings. I wonder what has prompted the deletion of these words. I realize they are very general in nature, but what concerns me about the criteria now is the provision that the applicant must have an adequate knowledge of Canada and of the responsibilities and privileges of citizenship.

He may have that knowledge and he also may be the greatest abuser of his rights and responsibilities that ever came before a judge. Yet the judge has no discretion but has to grant him citizenship so long as he has followed the mechanical processes laid down in Bill C-20. The judge is simply following certain criteria. On the other hand, the minister retains discretion to award citizenship. I find this terribly inconsistent. If I had my choice, I would prefer judicial discretion to ministerial discretion. With respect to ministerial discretion, I would like to know the use to which that discretion was put under the old act in exceptional circumstances, and I hope we can get some of that information in committee.

In the new act, where the right to citizenship is emphasized, I notice that the minister is given the right to grant citizenship under a number of clauses, but the minister has the discretion to waive at least two requirements which are rather important. First, the requirement that the applicant has adequate knowledge of one of Canada's official languages; and second, which is perhaps more important, the requirement that the applicant has adequate knowledge of Canada and of the responsibilities and privileges of citizenship. It seems to me that to leave that tremendous power in the minister's hands is dangerous. Finally, the governor in council may order the minister to grant citizenship and the minister shall forthwith grant citizenship to the person named, even though that person has not fulfilled one of the several requirements in the act. So we have a one-way street: we have all this ministerial and

governor in council discretion, but we do not have the opposite where the granting of citizenship can be arbitrarily refused.

● (1630)

There has been some difficulty with regard to illegal immigrants. The new legislation says that in order to accumulate his three years of residency an immigrant receives one-half day's credit for every day he was resident in Canada before his lawful admission. I point out to the hon. member for Davenport that that does not mean a person who is here on a student visa or something of that nature. I think the hon. member for Davenport was sidetracked in his speech a few minutes ago in that regard. The present legislation says that each full year of residence in Canada by the applicant before his lawful admission is deemed to be a half-year's credit toward his five-year residency requirement.

This raises certain questions which I hope the minister will have an opportunity to answer. First, why the change from years to days as a measurement? Basically, that is what we are doing. I do not believe the minister dealt with this question either in Calgary or last May on second reading. Second, I serve notice on the minister that I will want to know in great detail what use the department has made, under the present legislation, of granting the 50 per cent residency credit for unlawful immigrants. We have never come to grips with that in the chamber, and I for one in committee or at the close of this debate would certainly like a substantial amount of detail as to how that has been applied in the department under the present legislation.

With respect to the five-year rule and the proposed three-year rule, I have checked the history of citizenship legislation which is found in the two-volume work by Mr. Clive Parry, entitled "Nationality and Citizenship Laws of the Commonwealth and Ireland", and I am no clearer now than I was before I checked that unquestioned authority. I go back to the Upper Canada Act, which was the first Canadian statute, and there was an oath of allegiance to be taken within three years. Then it went to seven years, then to five years. Provincial statutes were generally seven years and five years. There was one three-year requirement in British Columbia. The Dominion Act of 1868 repealed provincial legislation, and there was a three-year requirement and after 1880 it became a five-year requirement.

From 1914 to 1946 we were unable to control the law of nationality or naturalization, so we did so by immigration restrictions. The Canadian Citizenship Act of 1946 had a five-year rule and British subjects did not have to go to court. There were amendments in 1967 and 1968. As I say, the history was of no help to me. I hope that in committee we will be able to come to grips with that matter and receive some information from those who know best. I want to hear many witnesses, frankly, from ethnic and other groups. I have heard various opinions from various people, but I am not satisfied.

The period of residency is an arbitrary thing; I realize that. I do not know why we are changing it now. Maybe there is a good reason; I simply have not heard it yet. I hope the committee hearings will give very wide scope to groups who want to appear, and that we will not have to limit witnesses as we did in the *Time-Reader's Digest* committee hearings. It is the same committee, but it is a good, hard working committee and we will be willing to listen to people who want to participate in the discussion of this topic. In addition to the five and three-year rule, I want to hear them talk about the philosophy of citizenship, whether it should be a right, a privilege or a discretionary matter.

With regard to equal treatment for men and women, all I can say is that that was recommended five years ago by the royal commission. This is a pretty good indication of the general track record of this department in getting legislation in front of us. I have no quarrel with this legislation in so far as the equality of status between men and women is concerned, but I deplore the length of time it has taken. The old act could have been amended very simply and quickly and I simply cannot understand why that was not done.

I have heard suggestions about retroactivity with regard to citizenship, which the minister has resisted; it is not in the legislation. For example, it has been suggested that children born abroad to Canadian mothers and alien fathers be proclaimed citizens retroactively. My first reaction is to agree with the minister in resisting that type of suggestion, but I want to hear evidence from groups advocating this, because there may be some very good reason of which I or my colleagues are not aware, and perhaps we might be persuaded that this is a more equitable approach to the new citizenship legislation.

In summary, the minister wants legislation which is equitable and logical. He originally wanted legislation that was "liberal," but that is now changed to "consistent" and I applaud that change. With regard to equity, I hope the bill is more equitable than this government has been to 18, 19 and 20-year olds for the last few years, and with regard to equality between men and women. With regard to logic, I have to ask myself whether it is logical to eliminate judicial discretion and replace it with one-way ministerial discretion. Someone will have to do a lot of persuading to convince me that that is more logical. With regard to consistency, I have to ask whether it is consistent to say, on one hand, "You have the right to citizenship", and on the other hand to say, "Even if you fail every single criterion for citizenship, the governor in council may order the granting of citizenship".

I am anxious to discuss these three tests with which the minister has challenged us. Again, I deplore the length of time this legislation has taken and the harsh treatment many of our citizens have received from a complacent Secretary of State. Parts of this legislation should have been introduced at least four or five years ago. There was absolutely no reason for not doing so. I will welcome the legislation in committee and hope it will be given the treatment it deserves, not a ramrodding through, which has been the case with certain other legislation.

Mr. D. M. Collenette (York East): Mr. Speaker, in view of the late hour I do not particularly want to use an undue amount of the time of the House, but I should like to make just a couple of points. Like the hon. member for Davenport (Mr. Caccia) and the hon. member for Greenwood (Mr. Brewin), the principal reason I want to speak is that we know the problems in the Citizenship Act. They are closely allied to immigration problems. Having listened to

the hon. member for Provencher (Mr. Epp) and the hon. member for Perth-Wilmot (Mr. Jarvis), it is quite obvious that they do not understand the problems which promoted the changes in this bill because they do not have large, new Canadian populations in their constituencies.

Mr. Jarvis: I have 5,000 Germans.

Mr. Collenette: The hon. member has 5,000 Germans. I do not particularly want to bore the House with a list of the groups I have, because it would take too much time. However, in the urban centres we do know what these problems are and we support this bill wholeheartedly. I do not want to go into the aspects referred to by the hon. member for Greenwood. He made some very good points about the reduction of the age limit from 21 to 18. Also, naturally, all Liberal members would agree that the clause regarding equal status for women and men as to parentage of minor children is quite acceptable in this International Women's Year, as well as being equitable.

I should like to deal with the clause the hon. member for Perth-Wilmot touched upon. There does not seem to be very much disagreement with regard to this clause, which deals with British subjects and requires them to be examined by a citizenship court judge and to take an oath of allegiance. In addition to the large number of new Canadians in my constituency, there are very many old-time residents who have come from the British Isles, and some of their attitudes really baffle me. In the general election many of them surprised me by their reluctance to take out Canadian citizenship. The hon. member for Perth-Wilmot referred to changes in the Canada Elections Act. There seems to be a myth that British people—I was born over there myself—lose some indefinable rights by taking out Canadian citizenship even though they live and work in Canada most of their lives.

● (1640)

Mr. Speaker, I have constituents who arrived here as children at the turn of the century and they still have not taken out citizenship. I agree that this is a deplorable state of affairs. As members of parliament, we must take steps to help these people realize that by taking Canadian citizenship they will not lose any other rights. In fact, I believe that the United Kingdom Citizenship Act of 1949 made provision for all those born in the United Kingdom to retain their rights as citizens of that country. When I was back there working a couple of years ago, I had the same rights as everyone else for health insurance, unemployment insurance and that sort of thing. This is one of the essential points that I should like to bring out.

Members of the official opposition cast aspersions on this party as being againsts the British connection, but many of us were born there and many of us were elected in constituencies where large numbers of the people came from Britain. British citizens should be aware that they are not in danger of losing their rights, but they should realize that Canada and the world have changed since the days of the old empire when British citizens did not have to submit to the same requirements as all other potential citizens. We must wipe out all the inequities in the law, Mr. Speaker, so I am particularly supportive of this aspect of the bill.

[Mr. Collenette.]

I should like now to refer to the three-year requirement for citizenship, although most of the points were covered by my colleague, the hon. member for Davenport. I was surprised at the attitude of the hon. member for Provencher when he spoke of this Canadianization program that he seemed to propose. If you ask applicants in Canadian immigration offices abroad why they want to come to this country, you will find that they know about the rights Canadians have, about free speech and tolerance. It really does not matter how many provincial capitals they know, or how many politicians' names they know. I am sure that even those who do not have a great command of the Englsih language would be able to tell what it means to be a Canadian citizen if they were interviewed in their own language.

The hon. member for Provencher asked why the qualification period should be reduced to three years. I ask why should it not? Surely it would promote a greater interest in and a feeling of belonging to this country. The hon. member for Provencher dealt with clause 5(1)(b) which provides that for every day during which a person was resident in Canada before his lawful admission for permanent residence, he should be deemed to have accumulated one-half day of residence. He spoke about sanctions for those who have been here illegally. But what about people on minister's permits, for instance? I will not go through all the categories, but there are epileptics, the retarded and even homosexuals. The hon. member criticized this aspect of the bill, yet he was a member of the committee studying the green paper which proposed changes to the immigration law to give these people landed immigrant status. Why should we continue to penalize deserving people because of an anachronism in another law which we all agree should be changed?

These are the points I wanted to make, Mr. Speaker. I want everyone in the House to know that those of us who represent constituencies with large, new Canadian populations wholeheartedly welcome the measures contained in the bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, puruant to Standing Order, 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—External Affairs—Inquiry as to justification for proposed increase in price of passports; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Canadian National Railways—Suggested relocation of proposed piggyback terminal in Winnipeg.

GOVERNMENT ORDERS

[*English*]

CITIZENSHIP ACT

MEASURE TO ESTABLISH CONDITIONS AND PROVISIONS GOVERNING CITIZENSHIP

The House resumed consideration of the motion of Mr. Faulkner that Bill C-20, respecting citizenship, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, at the outset I should like to bring some historic perspective to this debate which concerns the most important privilege a nation can grant, the privilege of citizenship. I should like members to cast their minds back to the occasion in 1897 when the then prime minister, Sir Wilfrid Laurier, went to Great Britain for a jubilee celebration. An important theme underlay the celebrations and much of the discussion concerned the suggestion that the empire should become a formalized entity that would have an additional parliament on top of the two levels that already existed. There would be provinces, nations, and then the imperial parliament.

The idea was put forward very seriously by Sir Joseph Chamberlain, and at one point it appeared as if the Canadian prime minister approved but then he lost his apparent enthusiasm. In his biography of Laurier, Joseph Schull writes that when it came to discussing the proposal for an imperial parliament overriding the authority of all dominion parliaments, Sir Wilfrid treated the project with a cool vagueness that was damaging. He admitted the idea was an old one and impressive; he was stirred by it and asked some important questions. What exactly would he do there? Whom would he represent? How would he vote, and so on? From that position came the decision that produced the independent Canada that we know now. In the school texts of this country, Sir Wilfrid Laurier is treated as one of the great heroes who established a process which at that time was very important. He is given enormous credit for being one of the fathers of the country as we know it now.

I would like to suggest that what was set in motion then should be taken seriously now, although things might not have turned out exactly the way Laurier anticipated them. Now we find ourselves a nation in a sort of splendid isolation. The Commonwealth, as the kind of political entity it once was, is gone and we cannot attach ourselves closely to the United States because of the surge of nationalism in this country. Their system of government is fundamentally different from the British parliamentary tradition that we inherited.

● (1650)

We cannot attach ourselves easily to the countries of the far Pacific rim because there are language and other difficulties. We are not part of the developing united Europe. I am sure if the ghosts of Chamberlain and Laurier could observe what is happening in the world, they would watch with keenest interest the possibility—in fact, it is far more than a possibility—of the establishment of a three-tiered parliamentary system in Europe, which will ultimately fulfil the concept that was to have linked Canada, the empire and Britain. We may see this system tested one day; we may see if democracy can function on three levels, on three tiers. We have known for many years that under a federal system it can function on two levels.

Our isolation is important. There were set in motion long ago developments which made us singularly Canadian. For that reason, I find much in the bill before us to be a contradiction of those processes set in motion long ago by the leader of the party which now forms this country's government. Parts of this bill I hail. Certainly, I welcome the right for citizenship to devolve through the female line as well as the male and do not question it for a moment. I welcome the right to be given to women who years after their marriage may have found that they had sacrificed their citizenship even though they were born in this country. Now they may elect to receive their citizenship. I have no hesitation in hailing that development.

I speak as one who, as a member of an earlier parliament, saw the shattering effect of the law on a woman who learned that although she was born in this country she had lost her citizenship unwittingly years ago and could not obtain a Canadian passport. I welcome the provision for such people to gain their citizenship if they give notice in writing. I cannot understand why the same privilege is not offered to those British subjects who have already been referred to. I will return to this topic as it is important.

I am concerned about reducing the waiting period for citizenship from five years to three years and wish to talk on this subject as one who has been close to the experience of immigrants, although I was born in this country. My mother's people came from Sweden, and when I was in high school I looked after my aging grandfather. It was during the war, when domestic help of any kind was extremely difficult to get, and I learned a great deal from my grandfather, as he rambled on during those long evenings, about what it meant for him to leave his native Sweden and come to North America, first to the United States and then to Canada, specifically British Columbia.

I married the daughter of immigrants of a different race, and therefore am aware of criticisms levelled all too easily and callously at people who question the important feature of this bill to which I am now addressing my remarks. Incidentally, Mr. Speaker, at no time have I or my wife ever felt that we faced any kind of discrimination or prejudice since our marriage in this country. We have cast our minds back but cannot recall a single incident which would be a blemish on the tolerance of Canadians. But we know first-hand, of course what was done in wartime to her people and to herself. We have travelled together extensively. We returned to both our ancestral homelands, spent some time in Sweden and some time in Japan. Strangely enough, we only encountered discriminatory expressions during our first two visits to Japan. Perhaps the unhappy wartime experience of the Japanese is grounds for excuse.

I found it interesting to return to Sweden, the land of my grandparents, and to be obliged to make my way in Swedish, a language I had not learned previously, as the people with whom we stayed, relatives of my mother's, knew no English. That experience, more than any other, impressed on me what it means for an immigrant to leave his native country and come to Canada, not for a holiday but for a

new way of life. We holidayed in Sweden. That was an interesting but difficult experience. When it came time to leave, I thought what it would mean to me if I had to stay there and make my way and earn a living in that language. The contemplation of what I should face left me breathless when I thought of the courage of those who emigrated to this land.

One thing I do know, Mr. Speaker: if I had decided to stay there, I should not have made any demands on the Swedish government; I should not have asked it to take care of me. Staying would have been my decision, my responsibility, and I should have had to adapt my life to what I found there. I suspect that I could, just possibly, have fitted into the Swedish scheme of things and it might have been possible for me to make a decision to stay. I know that such a decision would have been far more difficult in Japan because the process whereby a person from another country becomes a citizen of that crowded island is difficult and rare indeed.

No one that I know has ever criticized the Japanese for this, because their land has long been the byword for a crowded land. We, too, are becoming a crowded country. Things in this land have changed, too, and what used to be regarded as wide open spaces, are not wide open any more. We hear this theme all the time from ecologists, naturalists and others and learn that many of our so-called vast, empty spaces are virtually incapable of supporting human life. We also hear it from demands of native peoples who increasingly ask for vast sections of this country to be set aside for them. Therefore, we should no longer look on the vast spaces of Canada as empty places to be filled by all who want to come here. Indeed, as someone said earlier, conditions have changed in ways not easily understood.

Clearly, we must consider carefully the move to a residency requirement of three years rather than the previous one of five years. Incidentally, I wish to make it understood that the purpose of my preamble was to remove any suggestion of racism or of ethnic discrimination in the comments I am making. I say this bearing in mind this country's form of democracy. As I said about ten years ago in this House, I consider our democracy to be a plant of tender growth. I know that an hon. member who is now a colleague in this party, the hon. member for Fundy-Royal (Mr. Fairweather), said that he considered it a sturdy plant. I suspect that in the years which have passed he has come to appreciate that our specimen of democracy is much rarer and of much more tender growth, than he suspected.

What disturbs me most about this change to three years' residency as proposed in the bill is this: the time span is less than the life of a parliament, which can extend to five years. It is less than the customary four-year of a majority parliament. If this bill is passed, many immigrants will be eligible to vote in the first election of which they have experience in this country. There are some who say that three years is ample time to learn all about this country. I, however, have my doubts. During the last election campaign, a candidate in my constituency adopted a very shotgun approach to electioneering. He made a vast number of charges of all kinds. One could pay very little attention to any of them. One charge that he made was that the government of this land was influencing elections through its immigration policy. The charge was ridiculous. Immigrants had to wait five years before becoming citizens. He did not seem to know that Bill C-20 was in the works.

● (1700)

But if this bill is passed, any government that follows in this land can be open to the charge that it influences elections through its immigration policy. It will be easy to open the doors immediately after one election and to make voting citizens before the next. It cannot be done now. Of all aspects of the bill, that should be given the most careful consideration by those who are proposing it.

In spite of anything the hon. member for Davenport (Mr. Caccia) may have said, all the calculations were made on that side. This bill has been calculated, and calculated carefully. It should be delayed until legislation follows on the immigration recommendations made by the standing committee on immigration. We are being hasty in bringing forward this bill at this time when the committee which laboured long and travelled far made a report but we do not yet know what the government is going to do with it.

From that report comes some very interesting statistics and suggestions. One such statistic is that in 1974, Canadian immigration offices received over 750,000 inquiries regarding the possibility of immigrating to Canada in 1974. I suspect that when some of those people made their initial inquiry, they did not know that this land had a five-year waiting period. However, I suspect that the vast majority did know. I further suspect that the five-year waiting period would not slow anyone. Obviously, it did not. One can almost be categorical about this. In spite of the waiting period, they made an inquiry about coming to this land.

I cannot understand, when the pressure at the gates is so great and when population of this country is exercised about the immigration policy to the extent that it is—to the extent that it was not only necessary to have the green paper, but for the select committee to travel; and as we all know, the travels were rather riotous—why should we reduce the time. It is not an acceptable business practice to hold a fire sale when the demand is rising—40 per cent off in this particular case. There are very few countries in the world who are accepting immigrants at the present time. The pressure is enormous.

I am constantly amazed at the ingenuity of people attempting to reach this land and obtain a foothold here. One must have every sympathy with them. Of course, the motivation is twofold. It is economic opportunity, but surely it is also political freedom. We must be very concerned about the heritage of political freedom that we have. As I electioneered, as I am sure most people do, I talked to many peoples. I found that far too often this is held too lightly by Canadians. Far too many people press upon us a wish for a benevolent dictatorship. Too few people understand what is involved in the principle of a responsible government, or in the constitutional monarchy, the best guarantee of political freedom ever invented.

When I am not here, I teach social studies. I work with people at the end of secondary school. I am shaken, as many other people have been shaken, by their total lack of knowledge on this subject. What really shook me was to receive, a few months ago, a rather well put-together pamphlet from the Canadian Chamber of Commerce about

Canadian government. I read it with shock, dismay and disbelief. The person who had written it, the proofreaders who read it, and everyone who helped and paid to put it together, had no concept of responsible government as it is technically understood in this parliament and the provincial parliaments of this land.

Three years is not long enough to make your way in a strange country, to learn a new language and to fight the economic struggle that is always there. It is not long enough to learn how the electoral process works and see what kind of government this land has. There is not even the possibility of sitting back and watching one election. Three years is not long enough to do all those things. The numbers are arbitrary at best, I will agree, but it is important for us to choose five years instead of three.

[*Translation*]

I doubt that the hon. members from Quebec can vote in favour of this bill: what is five years compared with the glorious history of "la belle province" and the three centuries since Champlain, since the start of the colony?

● (1710)

[*English*]

Citizenship is not for the moment. It is for children and children's children. We who are here hold a trust for the people who are coming. Sometimes I think we should hold it more firmly for their sake as well as our own. The hon. member for Davenport talked about the reluctant applicant for citizenship. I cannot, personally, become exercised about those people. I know there are many. It is the contradiction to the argument presented by those who advocate haste that there are those who take a very, very leisurely approach to citizenship. For whatever reason, I think perhaps one should respect that leisurely approach. I do not think they need to be hunted down or sought out so avidly, because their decision is their own and it is different from what has happened to the British subject who came to this country perhaps as many decades ago, almost, as the conference I mentioned at the beginning of this speech, and who was assured in coming and very often given solemn promises by the development companies which brought these people out, that they would never have to change citizenship and that the British subject status would go on forever.

There are many people who came to this country who were as sure of that as they are of anything. So if any member of this chamber finds elderly British subjects upset at the news they cannot get a passport until they show proof, or they cannot vote until they show proof if challenged at the poll, I think they have good reason to be upset and I entirely agree with the hon. member who suggested that the way should be clear for them and a search should be made for them because they have something to lose. I know officials of the department tell me this is falacious and it is not so. But I know that these people, when they are up against the passport application and they have to obtain that other piece of paper, no matter how automatic you make the return of that piece of paper, the mere fact they have to go through the process when they were confident it would never happen is an issue which must be taken seriously by the minister and by the government.

For the reluctant immigrant, I do not believe it is all that wrong to wait. I know how fond memories of immigrants can be and I know how they cling to the sense of homeland and how long it takes to give what Frost, an American writer, calls, "the gift outright." In fact, in Canada we have never really demanded "the gift outright" from a lot of people. It takes a long time, and I think the wishes of individuals should be respected. But they are not going to be, I suspect, because when we read the report on immigration alongside this bill there is another factor there which frankly dismays me. It is on page 534, section 135. The Immigration Act provides that Canadian domicile is acquired by a person having a place of residence in Canada for five years after having been admitted as a landed immigrant.

The significance of domicile is related to deportation. Landed immigrants without domicile are liable to deportation on a number of grounds, including commission of a criminal offence, illegal entry, and so on. Most immigrants, with domicile or not, are of course landed immigrants and they have reason to be disturbed by the proposal that the concept of domicile be deleted from the Immigration Act. Put that together with the move from five years to three and you have virtually eliminated the choice that all these citizenship candidates have had until now, and you make it almost certain that every immigrant would have to apply for citizenship at the end of three years whether he felt ready or not. He could not run the risk of losing the protection he now has from the domicile provision.

That is why the bill is hasty and why we ought not to act in haste. We ought to have in place, and pass as the law of the land, the new Immigration Act. Then, and only then, can we look at the proposals which are being presented to us now on citizenship, I would like to think that my opponent in the last election campaign was wrong on every issue, but the more I think about the implications of this bill, about the implications for the political future of this country, and as we broaden the scope of lands from which we accept immigrants until it is virtually worldwide, we at the same time increase the percentage who do not have a background in democracy. What is involved here is far too important to rush through before Christmas, after the delays we know have gone on already. It is far too important to proceed with at all until we know what the law on immigration will be.

One final word, and that concerns the clause which deals with Commonwealth citizenship. I am seriously disturbed about that clause. I have travelled widely around this world and I have crossed Commonwealth countries, India, Singapore, Hong Kong—not independent yet, I know, and maybe it never will be. I know that people in those lands attach great importance to the written word and I know the importance they are going to attach to the section on Commonwealth citizenship. As I read the bill, maybe I should not be worried at all because it suggests that the rights of Commonwealth citizens will be the same as those of the British subject.

However, I do ask seriously: What rights does a British subject have in this land that anyone else does not have? If it is to mean nothing more than that, it should not be in the bill at all. I plead with the minister not to do anything so cruel to the people who will read that clause and feel they

have a claim on this land, unless he truly means that Commonwealth citizens have the sort of thing that Sir Joseph Chamberlain had in mind so long ago and which Sir Wilfrid Laurier rejected. It is essential that we, in 1975, live with and accept the decisions which were made at that imperial conference and subsequently.

Mr. John Gilbert (Broadview): Mr. Speaker, after a while I thought we were having Toronto day with regard to the citizenship bill. We had the hon. member for Greenwood (Mr. Brewin), the hon. member for Davenport (Mr. Caccia), the hon. member for York East (Mr. Collenette), and now myself. Also, I am sure that before the debate is over we shall hear from the President of the Privy Council (Mr. Sharp). We in Toronto have a special experience with regard to immigration and citizenship.

An hon. Member: We don't hold that against you.

Mr. Gilbert: I notice that the hon. member for Hastings (Mr. Ellis) is making one of his friendly interjections and I am going to give him a little history. Broadview was represented from 1951 to about 1962 by the present member for Prince Edward-Hastings (Mr. Hees).

● (1720)

Mr. Ellis: Best representation they ever had.

Mr. Gilbert: Well, that is a very debatable point. Let me tell the hon. member that during that time the composition of the riding was 95 per cent to 98 per cent Anglo-Saxon. However, in the last 10 to 12 years there has been a dramatic change in composition. The Anglo-Saxon content is between 40 per cent and 45 per cent; then there are the Greeks and Macedonians, the Chinese, the Italians, people from the Caribbean and other groups from central Europe such as Germans, Latvians, Portuguese, and so on.

Mr. Ellis: You cannot blame George for that.

Mr. Gilbert: The hon. member says, "You cannot blame George for that", and probably you cannot. But it would be rather interesting if George came back and ran in Broadview, competing against a little Irishman. Big George against Little John would be quite a competition and there would be a tremendous debate. Toronto has become a global village of nationalities and races from across the world. The result has been a richer and better city culturally, linguistically and in many other ways. Having travelled across the country, I have found major cities with a comparative fusion of different nationalities and races which are richer for the experience. Even during my short travels with the immigration committee to the maritimes, I noticed many people from different countries and of different races living there and making their contribution.

I think all Toronto members who have spoken on this bill have been in favour of it, and they have welcomed removal of some of the inequities and anomalies that exist in the present legislation. This legislation was first passed in 1947 and from then on to the present day there have been 61 amendments. The legislation has been cursed, criticized, battered, bruised and kicked at by many people who have had difficulty applying its provisions. Since 1947, times have changed and this is why there still remain anomalies and inequities in the act.

This is why we in the New Democratic Party welcome some of the changes proposed in this bill. There are four main changes. Firstly, the period of residence required prior to an application for Canadian citizenship will be reduced from five years to three years. Secondly, the age of majority for applying for Canadian citizenship is reduced from 21 years to 18 years. Thirdly, men and women will be treated equally. Fourthly, citizenship now becomes a matter of right, not a matter of privilege upon fulfilment of specified conditions.

I have heard my Tory friends speaking of this reduction from five years to three years in applying for citizenship. I do not mind criticism of the bill, but I do like constructive criticism and constructive solutions, which is what I have not heard from them so far. This disappoints me. The main thrust of their argument is that when the bill gets to committee, they will question the minister about why he has reduced the waiting period from five years to three. I do not think that is enough. As one member of the Conservative party has already said, he himself had a bill on the order paper reducing the waiting period from five years to three. In the NDP, the hon. member for Regina-Lake Centre (Mr. Benjamin) also had a bill reducing the waiting period from five years to three. There is a consensus that this step be taken. The reason is that people who come to Canada have to pay taxes—income tax, sales tax, municipal tax, and so on—so within a very short time they should have the full rights, obligations and privileges of a Canadian citizen.

So far as the program to encourage citizenship is concerned, many people who come to Canada from other countries have difficulty in applying for citizenship, and I understand this. Having had roots in some other country, it takes a period of time before they can adjust to the Canadian way of life and master one of the two official languages, French or English. It takes them a while to settle down and to get over the cultural shock.

I recall a neighbour of mine who came to Canada from Scotland. He is chief plumber at the Royal York hotel and has been here 27 years but has still not applied for Canadian citizenship. He says the reason is that he has his roots in Scotland and so is rather hesitant about applying. I am positive that he does not know that under the British law as it now stands he can still retain his status of British subject if he ever returns to live in the U.K. So he and people like him need have no fear about that. He has made a tremendous contribution to this country and will continue to do so.

The reduction in age from 21 years to 18 is following a trend today. It is consistent with changes made in other areas, such as the reduction in voting age, property rights and contracts. The best way to make people mature is to give them rights and obligations. Reduction of the age to 18 will, I think, make them mature much quicker and accept responsibilities much faster. I am delighted to see that men and women are to be treated equally. This is really a victory for women. I am sure some of us, including yourself, Mr. Speaker, are reminded of the tremendous efforts that Grace MacInnis of our party made regarding the achievement of equality of condition for women across Canada. It is a credit to her and to many other fine women

across Canada that this provision is in the bill. Certainly there are inequities in this respect in the present act.

Henceforth, all applicants for Canadian citizenship will be required to meet the three years' residency qualification without regard to marital connection with a citizen. That is an important change. In addition, children born abroad will derive citizenship from either parent, and either parent will be able to apply for citizenship on behalf of a minor child. Women who lost their Canadian citizenship through marriage to an alien prior to 1947 will now be able to recover it automatically upon notice to the minister. During the last war many young Canadian women married men from other countries and automatically lost their citizenship. The present provision is a step in the right direction.

The bill also establishes citizenship judges. Under the new act, British subjects will no longer be exempt from the requirement to be examined by a citizenship judge or from attending a citizenship ceremony. They will also be required to take the oath of allegiance. When I read that, I had mixed feelings about it, quite frankly. I come from an Anglo-Saxon family and I thought that we should have special rights and privileges. But when I applied that thinking to my own constituency, which is really a global village of many nationalities and races, I saw no reason why I, as a British subject, should have any special privilege that other people living in the community do not have.

● (1730)

In fact I am rather proud of the young people in my community who at school rub shoulders with Greek children, Italian children, children from the West Indies, and Chinese children. I think they are much better students because of that experience. In fact they rub shoulders with people from all over the world. This enriches and matures them. I do not know why I as a British subject should have a special privilege beyond what others have. This is neither fair nor equitable. Therefore I welcome the change being made by the minister.

Some of my Anglo-Saxon friends in my riding, who I hope vote for me, may be a little disturbed about my position in this regard. I may say I have adopted this position because of my experience in the riding rubbing shoulders with so many people. I feel richer because of that experience. I am sure that this is a step in the right direction. When I read that citizenship becomes a right and not a privilege upon the fulfilment of certain conditions, I think this is the proper course.

If a person fulfills the residence rule, if he has an adequate knowledge of one of the official languages of Canada, and if he has an adequate knowledge of Canada and the responsibilities and privileges of citizenship and is not subject to a deportation order, he should be entitled to Canadian citizenship. I notice also that the minister has the right on compassionate grounds to waive some of the requirements in cases of special and unusual hardship. Many parents of landed immigrants have difficulty mastering the language and in meeting some of the problems they face. Yet at the same time they want to become Canadian citizens because they have a certain pride in being a resident in this country. I do not think they should be held back because of the problem they have. I am rather happy to see that the minister has this particular discretion in respect of Canadian citizenship on compassionate grounds.

My colleague, the hon. member for Broadview—I am sorry. My colleague, the hon. member for Greenwood (Mr. Brewin), has indicated some of the legal problems.

Mr. Stanfield: That is the difficulty when you have a large crowd.

Mr. Gilbert: I might tell the Leader of the Conservative Party (Mr. Stanfield) that in the next election the riding of Broadview will disappear and will become the riding of Greenwood. In all probability I will be representing the new riding of Greenwood. I am adjusting myself to the change. I am sure the Leader of the Conservative Party will forgive my odd slip. It may be that the present member for Greenwood will direct himself down to Nova Scotia, because I believe originally he came from or has some connection with Nova Scotia.

Mr. Nystrom: It is New Brunswick.

Mr. Gilbert: In any event it is the maritimes. As I have said, the hon. member for Greenwood dealt with some of the legal problems. I shall not go into that except for one exception.

I wish to mention the problem concerning the ownership of Canadian land by non-residents. I understood there had been a meeting of provincial representatives with federal representatives concerning the problem of the ownership of land by non-residents. May I remind you, Mr. Speaker, that there is so much ownership of Canadian business by non-residents that I am concerned about it, and now we find the government has failed to move with regard to the ownership of land by non-residents.

We have had a tremendous influx of foreign funds in respect of housing and land. I thought perhaps the government would move in this connection. I understand the provincial representatives wanted the authority shifted to the provinces so that they could determine whether or not non-residents should own land in Canada. We have the experience of the maritimes and Ontario, and I am sure there has been a similar experience in British Columbia. The amount of penetration and ownership by non-residents of Canadian land is rather frightening. I am rather unhappy that the minister has failed to move on this important problem. He could do two things. He could state in the legislation that non-residents should not own Canadian property, or he could turn the matter over to the provinces. However, he has failed to act in either way. I hope he can be persuaded during the committee hearings that a change should be made.

I am rather happy that Bill C-20 is before us at this time. In my opinion it is sheer nonsense that we should wait until there are amendments to the Immigration Act. I am surprised my Tory friends made that suggestion, but I forgive them because they are a little behind at times concerning what is obvious. I am proud the minister has brought forward Bill C-20. He will have the full support of the New Democratic Party.

Mr. David MacDonald (Egmont): Mr. Speaker, in rising to participate in this debate I realize the debate is prelim-

inary to a more exhaustive examination which will take place in the committee. I hope that in the committee there is a full opportunity for a very extensive examination of the bill because, as the minister has pointed out, this is really the first major change since 1947. In that period a great deal has happened to this country, to the concept concerning the role of citizenship in the country, and of course in the world community.

I think our first obligation is to examine in detail the question of citizenship not in any chauvinistic manner nor in the context of superficial nationalism but in a broad sense, dealing with the issues which have not been raised in the debate to date. I was a little concerned about the final remarks by the hon. member for Broadview (Mr. Gilbert) in which he attempted to suggest that this is the kind of matter which should be dealt with quickly and which should bear no relationship to the exhaustive work done by the special committee on immigration. I served on that committee, as did the hon. member for Broadview from time to time.

Mr. Gilbert: I enjoyed the lobster.

Mr. MacDonald (Egmont): We hope there is more where that came from. I think the hon. member will appreciate the number of aspects that are related to citizenship and immigration. In fact I am sure he would agree with me and other members of this House that the government in its treatment of immigration has worked on a much too narrow plane, and that there is much which should be considered in terms of the future development of the country.

The government has not looked at the major question in terms of the further development of the country, the social impact of immigration, and the whole demographic question which only recently was directed to a special interdepartmental committee. Indeed I had the feeling, which I expressed openly in the committee, that the whole process of examining the immigration question had been carried out much too quickly. The report that was tabled a few weeks ago in this House unfortunately was able to come to grips only with many of the sort of superficial or off-the-top of the head type of questions.

There was far too little opportunity for major groups and organizations to make presentations to the committee from their own solid basis of research. In a sense I feel we have merely a kind of brushing up of some of the present anomalies and a change in respect of some of the restrictions concerning present immigration procedures, rather than a look at the whole context in the light of the growth of this country over the next quarter of a century and a look at immigration as a phenomenon that will continue to be with us hopefully, and of course related to the vital questions of citizenship raised by the minister in Bill C-20.

● (1740)

I think we must be grateful for the initiatives that have been taken by the department and by the minister. I do not want to dwell at length on some of the missing aspects in this legislation because I realize that no bill will ever be considered complete, and as a comment aside let me say that I am very much in support of the matter raised by the hon. member for Broadview with respect to land ownership.

As the minister is well aware, we in Prince Edward Island know that our most precious resource is the land that we possess, and there has been a very conscious attempt on the part of our premier as well as of a number of important citizens in the province to control the rapidity with which land has gone out of use and has left the ownership of those who are resident and are primarily citizens of P.E.I., and to diminish the degree to which this can effectively destroy communities and destroy the capacity of the people of the province generally to use that land to its optimum advantage, whether it is in terms of agricultural production, recreation, or other uses.

Perhaps P.E.I., because its land is such a precious and limited commodity, is the most glaring example of the problem we face, whether it is in parts of northern Ontario or British Columbia, or concerns valuable farm land in western Canada or elsewhere. The degree to which land can be accumulated by those who have no direct and continuing interest in its benefit, and particularly its direct benefit to those who make their homes in that area, is of great concern to me.

I think also that one of the bad by-products of the present inflationary situation is that a great many foreign investors are inclined to invest even more rapidly in land, realizing that it is one of the safer areas in which one can put one's money, with the expectation that inflation may continue to rise at a rapid rate. Therefore the action that the minister can take, either through amending this legislation or through effecting some kind of uniform procedure on the part of the provinces, is of great importance to the long term benefit of the country.

I realize that this is not the essence of the legislation before us today. From one point of view it tidies up some of the idiosyncrasies, some of the glaring aspects with respect to the problems that we have faced in keeping up with the concept of the equality of men and women.

It has been referred to before, but I think it came to me most forcibly this fall when I received a letter from the daughter of a classmate of mine from university days who had found, to her shock and sorrow, that she does not have the same rights of citizenship to bestow on her children as would a Canadian man. She just mentions it to me in a letter and I want to put it on the record to indicate that this is a very direct and human problem. Here is a young lady who left Canada in 1972 and met her jusband while studying in another country. He came from Africa where they were married, and within a year or two she gave birth to her first child. She writes:

> ... I gave birth to our first child, a girl. I then began to wonder if the child was entitled to Canadian citizenship through me and wrote to the nearest Canadian embassy in Pretoria for details. The information that I received from that office was quite unbelievable and I would like to know if such legislation in Canada exists. Apparently, a person born of a Canadian *male* living abroad is eligible for Canadian citizenship and is entitled to hold a Canadian passport but someone born of a Canadian *female* living abroad is not entitled to these privileges. This to me is a blatant form of sexual discrimination on the part of Canada and I am very surprised that it exists in such a "progressive" country.

I suppose the word "progressive" is one with which all of us can identify in some measure or other, and it is an indication of the fact that as recently as 20 or so years ago

when this act received a substantial overhauling we continued to maintain that kind of discrimination in a statute of this country with respect to citizenship. Of course the minister has indicated that this is one of the measures which will effectively be set aside and that citizenship will be passed on by either male or female Canadian subjects. I believe that in that mood we must certainly welcome it, and can only regret that it has taken so long for action to begin on such a basic aspect of human rights. It is also appropriate that this action will be taken this year which is regarded as International Women's Year. Perhaps it is one of the more tangible things that has been done by way of legislation in the House.

There have been some other measures considered, but I have not received the impression that the government's momentum with respect to rights, legal rights for women, has been given much of an examination and much forward motion with regard to activity in the House. I do not know what future plans are afoot with respect to the examination of other statutes, but I hope that the minister and his officials, perhaps in consultation with the Minister of National Health and Welfare (Mr. Lalonde), have urged very strongly on the Law Reform Commission that it continue to examine our laws to pinpoint in what ways they may still create a situation of continuing inequality for women.

International Women's Year has undoubtedly been a mixed blessing, in my estimation. It has focused much more consciously the thoughts of all citizens on the ways in which we have built procedures and traditions of discrimination into our social system. But the temptation in having a women's year as such is to think that when we reach December 31 all actions that are necessary to take will have concluded. I think that is not obviously the case. I say that because I have had another matter that I have raised with the minister which also relates to the legislation we have in front of us.

It is a matter that has received a fair amount of publicity, at least in the Ottawa newspapers because it involved a former citizen of this country and of Ottawa, who found to her surprise, shock, and eventual sorrow that she had lost her citizenship after being incorrectly informed by officials of either the Department of the Secretary of State or of the Department of Manpower and Immigration, but certainly an official of the government.

Perhaps again I should relate this as an aspect which I am not sure will be satisfactorily resolved under the proposals that are before us. I wrote to the minister on September 19 of this year indicating that a Mrs. Michele Beach, formerly Robert, born in Canada and married to someone form Great Britain, because of certain misinformation lost her Canadian citizenship. The story was as follows: in 1972 while living in Canada, and before her marriage to Mr. Beach, Miss Robert inquired of the Department of the Secretary of State and Department of Manpower and Immigration if she would lose her Canadian citizenship by marrying a citizen of the United Kingdom. She was reassured that, no, she would not lose her citizenship but would, in fact, enjoy a dual one; Canadian and United Kingdom.

After their marriage the young couple moved to England for a couple of years before intending to settle permanently in Canada. Mrs. Beach again checked that by leaving Canada she would not lose her citizenship. Again the answer was, correctly, no.

In Britain she decided to formalize her dual citizenship status by formally registering as a United Kingdom citizen. Continually fearing a loss of Canadian citizenship, Mrs. Beach inquired of the British Home Office officials. They informed her that formal registration as a citizen of the United Kingdom would cause people of many countries to lose their original citizenship, but that that particular ruling did not apply to Canada; her Canadian status would be O.K. So naturally she went ahead with the process and was granted U.K. citizenship on July 12, 1974.

● (1750)

In August of 1974 the Canadian High Commission contacted her stating that as she was officially registered as a citizen of the United Kingdom, she was no longer a Canadian citizen, and would be required to surrender her Canadian passport and certificate of Canadian citizenship. The upset this must have created for Mrs. Beach can be imagined. After that she and her husband went frequently to Canada House in protest. The officials there agreed to look into the matter, and on August 28 of last year the second secretary for consular affairs advised Mrs. Beach to take formal steps to renounce her U.K. citizenship in order that her Canadian one would still be valid. Accepting that advice, on September 4 she did just that.

Unfortunately, this second mistake was brought home to her on December 30 when the registrar in the Canadian citizenship registration branch of the department wrote Mrs. Beach explaining that her renunciation of U.K. citizenship made absolutely no difference. She was still not a Canadian citizen, and would not be until she had established residence in Canada for one year. In fact at this point she was stateless along with being, I imagine, almost speechless.

Mrs. Beach has since had her U.K. citizenship reinstated because it would be impossible for her to continue in that situation for any length of time. The difficulties which would immediately be created for her can be imagined. However, obviously her basic desire is to regain her Canadian citizenship. She has made a number of appeals, and even came to Ottawa during the past summer to make personal calls on government officials to plead her case.

In this instance I wrote to see if this was not a case where the minister, through an order in council, could restore a citizenship where obviously in the situation she had received a good deal of misinformation from two Canadian government departments, and in this case also from the United Kingdom department. I want to read the letter I received from the Secretary of State (Mr. Faulkner) with respect to this very human problem because it seems to me that this is the very kind of thing the minister should be conscious of in bringing this legislation forward. His letter is dated November 4, 1975, and it reads as follows:

> I refer to your letter of September 19 regarding Mrs. Michele Beach (née Robert) whose status under the Canadian Citizenship Act has received recent publicity.
>
> Since the Canadian Citizenship Act came into force on January 1st, 1947, a Canadian woman does not lose her Canadian citizenship by marriage to a citizen of another country. However, any Canadian not under a disability (i.e. as to age or mental competence) who, by a

formal and voluntary act other than marriage, becomes a citizen or national of another country while outside Canada, thereupon ceases to be a Canadian.

Hon. members will note that that particular situation has not been altered, in my present reading of this legislation.

I am satisfied that no citizenship officer so designated under the authority of the Canadian Citizenship Act would have assured Mrs. Beach otherwise.

The Secretary of State did not tell me in this letter or in any other way how we will be satisfied of that fact, and inasmuch as Mrs. Beach has made these comments publicly I am just curious as to how the Secretary of State has been able to verify that. In the next paragraph he goes on to say the following:

Although this young woman was mistakenly advised by a Canadian officer of another Department that she should not jeopardize her Canadian status by registering as a citizen of the United Kingdom while in England, the unfortunate fact remains that Mrs. Beach actually ceased to be a Canadian when she became a United Kingdom citizen on July 12th, 1974.

Besides submitting representations from overseas, Mrs. Beach recently called at the Citizenship Registration Branch in Ottawa when the circumstances of her case were discussed at length with her. She was again informed that after she has resided . . .

This, to me, is an indication of the kind of continuing insensitivity there is at the present time.

. . . in Canada for twelve of the eighteen preceding months, she may apply for the grant of Canadian citizenship under a special provision of the Act for persons who ceased to be Canadians by naturalization outside of Canada. Another requirement of this special provision is that such applicants must satisfy the Minister that they intend to have their place of domicile permanently in Canada. If there were other means under present law by which Mrs. Beach could more readily become a Canadian again they would have been explained to her during her recent interview.

The minister concludes, and here I find the weakness and the lack of flexibility present in these legislative proposals:

As regards future law I would hesitate to speculate whether subclause 5(4) of the Citizenship Bill (Bill C-20), if passed in its present form, could be applied to Mrs. Beach's case. The sub-clause would empower the Governor in Council to allow grant or resumption of citizenship without condition in cases deserving of compassionate consideration for exceptional reasons.

What seems to be suggested there is that in the case of Mrs. Beach, in spite of the fact that she was misinformed on more than one occasion and is being faced with a considerable amount of unnecessary hardship, in my estimation, she would not be considered under the legislative framework the Secretary of State has placed before us in Bill C-20. If that is the case, the so-called updating and modernization of Bill C-20 as against the model of 1947 is not exactly the modern instrument the Secretary of State would have us believe. He may have provided some window dressing, and he may have provided some new terminology by changing nomenclatures such as "British subject" to "citizen of the Commonwealth", but I will have more to say about that when we resume at eight o'clock.

However, apart from some of the window dressing it is difficult to discover where the minister is really following through on his commitment to make this a modern, effective, and fair piece of legislation, in particular with respect to the rights of those people—and we will have an increasing number—who will be travelling abroad for purposes of business, study, or for their own relaxation. If they are unfortunate enough to be even in the least misinformed with respect to the present procedures with regard to citizenship, they can find themselves in the victimized state of Mrs. Beach who, in her situation, for a period of time has been absolutely stateless and now finds that she will have to go through the whole process of immigration to this country again.

Again, relating this kind of proposal, this kind of situation, to the very tightened up and increasingly complex administrative procedures which have been proposed by the Immigration Committee report and which will likely be introduced by the Minister of Manpower and Immigration (Mr. Andras), one realizes what a great amount of sorrow and difficulty we are going to create for a number of people who have the misfortune to travel from this country and be misinformed as to their rights and responsibilities as citizens.

May I call it six o'clock and continue when the House resumes at 8 p.m., Mr. Speaker?

[*Translation*]

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight p.m.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. MacDonald (Egmont): Mr. Speaker, there are two other matters I should like to raise in what might be called the second half of this speech on Bill C-20.

Mr. Knowles (Winnipeg North Centre): What is the score?

Mr. MacDonald (Egmont): The second half, hopefully, will be more interesting than the first, but no less pertinent.

Before moving on I want to refer to one particular aspect of the bill that I mentioned at the outset. Perhaps I did not put it totally in the context that will be considered by committee.

As the minister is well aware, reference is made in clause 33 to the ownership of property, particularly land. Of course this is of some little consequence to those of us who come from Prince Edward Island—I stress the word little in terms of size but not of importance.

As I mentioned this afternoon, ownership is one of the basic concerns in Prince Edward Island at the present time so I am somewhat surprised to note that in clause 33 there is no substantial alteration or recognition of the recent decision of the Supreme Court of Canada which upheld the decision and the legislation of the government of Prince Edward Island concerning the sale of areas of land over ten acres. While there is one major difference between the reference in clause 33 and the Prince Edward Island legislation, the essence is really the same. The difference is that in Prince Edward Island absentee ownership refers to

anyone who is not normally resident there, whereas in this legislation it refers to individuals who are not citizens of Canada. As I understand it, in the previous act the reference was to aliens.

As I mentioned before six o'clock, there seems to be a pattern of an attempt to modernize and update citizenship but there seems to be difficulty in coming to grips with the reality of the situation. I refer to the experiences of Mrs. Beach in her so far frustrated attempts to regain Canadian citizenship. The minister has indicated that the change in the law which is already before us is not likely to satisfy her predicament. In the same way the situation with respect to clause 33 will not satisfy the growing concern that exists in provinces like Prince Edward Island, or Nova Scotia, or Ontario, or British Columbia, or perhaps in any of the provinces and territories over the rapid increase in foreign ownership.

● (2010)

Various segments of our economy are under foreign ownership. Sometimes ownership is exercised exclusively by non-Canadian subjects. Perhaps the Secretary of State will explain, either in this debate or at the first opportunity in committee, how he proposes to deal with a situation which is of concern to provinces like Prince Edward Island which are worried about the extent of foreign ownership of their land.

I notice the presence in the House of the Minister of Veterans Affairs (Mr. MacDonald (Cardigan)) who shares with me, I am sure, my concern for Prince Edward Island. I hope he will communicate his concern to the secretary of State. Although this matter is not dealt with in the legislation before us, we shall need to look at it seriously and introduce amending legislation. I want to know how the Secretary of State proposes to deal with this situation. Perhaps he will give an explanation in committee. Unfortunately he did not touch on the matter in his presentation on second reading. I hope he will touch on it in committee and explain how we can make our legislation fit the needs and realities of the modern day.

As I said earlier, the bill, by mentioning certain new terms, seems to acquire in the opinion of some, let us say, and air of modernity. This is not sufficient, and the meaning of the new terms has not been adequately spelled out by the Secretary of State. The term "British subject", in use since Confederation, is to be replaced with the term "citizen of the Commonwealth." I am a long-time supporter of the Commonwealth concept. It is an admirable bridge between this country and the international community. The Commonwealth brings us together. It brings together nations of the world which have some traditions in common, but which otherwise live according to different precepts. The change, speaking in terms of semantics, is attractive. But we do not see defined what, in essence, this change will mean.

The term "British subject" is of long standing, and has been tested with experience. For instance, many Canadian citizens have travelled all over the world and used the diplomatic services and facilities of United Kingdom offices, or of other Commonwealth countries. What is to be the definition of "citizen of the Commonwealth?" Was the term introduced merely to avert the criticism of those who come from other than Commonwealth countries and cannot be identified as British subjects, or will the term be given the same meaning and importance as is given now to "British subject"? The Secretary of State has not told us.

One hopes that an attempt is being made at the Commonwealth Office in London to gain some degree of acceptance for the term which will apply to Canadian citizens. Designating ourselves as citizens of the Commonwealth will be cheap and misleading unless we are prepared to give some enhanced meaning to the term. Obviously the Secretary of State owes us an explanation.

In the few minutes remaining I wish to deal with perhaps the most controversial part of the bill, that part reducing the residency requirement for citizenship from five years to three. When the minister spoke on second reading in May this year, he said he was surprised at the controversy his proposal had created. I am surprised he was surprised. Anything less than great interest in this proposal could be signified as a passive acceptance on the part of Canadians about our methods of granting Canadian citizenship.

Many of us have not taken seriously this business of how citizenship in this country is granted. the minister suggested that the bill will make it easier for immigrants to obtain citizenship after three years. They will not need to wait five years. But there is to be another change. The spouses of Canadian citizens who could, under certain conditions, obtain Canadian citizenship after one year must now wait for three years.

The minister suggested that the changes in the bill relate to the increased mobility of members of our society. I remind the minister that we are dealing with something basic. Already hundreds of thousands of immigrants to this country have acquired Canadian citizenship under the old system. We must realize that the question of changing residency to three years from five is one that is fraught with emotion, emotion with which many would prefer not to deal at all. Obviously a man's relationship to his country is basic.

The immigration committee held hearings for several months and occasionally had a chance to ask witnesses what they felt about this proposal. I must report that most witnesses appearing before the committee favoured the reduction in the residency requirement from five years to three. Perhaps the matter was best put by Mr. Wall, vice-president of the Royal Canadian Legion in St. John's, Newfoundland. He saw nothing wrong in reducing the period from five years to three, and said:

> I do not think there is any argument on it. I would not particularly care if it was reduced to one year, provided that the person who is applying for citizenship has proved to be a person who would be of benefit to Canada. I think this is the whole criterion of citizenship in immigration policy. It is not? If they can contribute to Canada, welcome them in with open arms.

Those comments by a representative of the Royal Canadian Legion show that some Canadians do not think you can define citizenship merely in terms of some time requirement for eligibility. After all, it could take a lifetime or more for a person to be fully aware of his responsibilities and privileges as a citizen of this country. Professor Head, of York University, said to us that he thought five years is too long, that the waiting period would be

dropped to two or three years. He even felt that most people would support franting citizenship after one year of residence. He made some further comments which the minister ought to examine, as they deal with an aspect of this problem which we may encounter in future.

Professor Wilson, Head of the Faculty of Social Work, York University, expressed the concern that citizenship training facilities in Secretary of State offices are "very small" and that officials in most Canadian cities were "poorly trained." If you consider statements such as made by Professor Head, and by others who are actively working with immigrants and new Canadians, you sense that there is more to this issue than was presented to the committee.

Although we congratulate the minister for relieving hardship, the provision for reducing to three years from five residency qualifications for citizenship is not an unmixed blessing, as, undoubtedly, some people will encounter difficulty. Certainly spouses, who could acquire citizenship after one year in some cases and who now must wait three years, are adversely affected and, in that regard, the provision of the bill works in reverse. Even more important is the suggestion that it will now be necessary for spouses to meet language requirements. This aspect may create considerable hardship.

While there are many people who will come here in the prime of life as young people to participate in their own future and in the long-term future of this country, we annually receive thousands of people who come here as the parents of new Canadian citizens. What is to be the situation in their case? If the parents of Canadian citizens come here in their fifties and sixties, are they to be denied citizenship if they are not able to develop language facility in one or the other of our official languages?

● (2020)

I ask hon. members to think of the people they know from their experience, and in their community, who have been excellent citizens in their country and yet may not have mastered the ability to speak or communicate in one or the other of our official languages. This seems to be a foolhardy insensitive extension of what in many instances has been a sensible language policy. I urge the minister to give some consideration to the special kind of hardship that may be created by building this kind of inflexibility into this new act.

Finally, there has been some discussion about whether citizenship is a privilege, responsibility, or right. I believe it is all three. Citizenship creates a greater sense of being a part of this country, of being anxious to play a constructive role in it and, indeed, of being willing to sacrifice to make this country a better place in which to live.

Perhaps most of us in this House are fortunate because we were born here. Those who have chosen, sometimes at great personal cost to themselves, to leave their country, culture, language, and religion to establish a new home here have done so with the hope of bettering their situation. They have come with the idea to maximize their contribution to this country. Canada would not be the country it is today without their assistance, their contribution, and their place with us. In this instance we should be attempting in every way possible to make citizenship for them more of a reality, with more of a hope in that reality.

[Mr. MacDonald (Egmont).]

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, this bill, which generally speaking is an omnibus bill, reminds me of some of the old home remedies we had to take when we were kids. The hon. member for Lincoln (Mr. Andres) will remember some of these.

A remedy for the common cold was turpentine. Because no one liked to take a dose of turpentine, they put it on a spoonful of sugar. That was supposed to make it good. You held your nose, swallowed it, and it was supposed to cure you. Certain elements of this bill remind me of that kind of home remedy.

There are some good parts in this bill which we accept, and in fact welcome. At the same time some are rather hard to swallow. Some of the redeeming inclusions in this bill are obvious. For example, in clause 10(2) there is finally some recognition given to the equality of women in the area of citizenship. Legislation that recognizes their equality is long overdue.

There is another aspect of the bill which makes the machinery for acquiring citizenship a little more accessible. The court system will be a little more available. That is a commendable feature of the bill. At the same time the court system should not be depreciated. The trappings and majesty of the court system should not be a kind of travelling affair. You must not take away from the wholesome austerity that exists in the court system. On the one hand the bill provides, and ought to provide for those amenities. At the same time it ought to make the process of citizenship a meaningful experience.

There are some major flaws which deserve attention. They raise questions in our minds. If these features are as important as the government feels, why were they so long coming forward? Was there great public pressure? Were people writing to the government asking when it was finally going to reduce the waiting period to become a citizen? Has the Secretary of State (Mr. Faulkner) been deluged with mail from immigrants who have come here in the past five years complaining that this is too long to wait? I hardly think that is the case. I doubt there are any members of this House who have been deluged with this kind of mail.

Many people, even some overseas, were aware that this bill was in the offing. On an overseas parliamentary trip some months ago one hon. member found that people were aware that this bill was coming forward. They were asking when C-20 was coming to the floor of the House. I had to look to see what C-20 was, but those who were thinking of coming to Canada were aware that it was in the offing. Therefore the first question I must ask is why the government has now decided to bring this bill forward.

Second, what is the purpose of wanting to reduce the waiting period from five to three years? If the government has some cogent, logical arguments that will explain the reason for this reduction, we ought to hear them. To this point, the government has not presented any such arguments.

This seems to be the day when everything is instant. We have instant unemployment insurance. I am thankful that the government has brought legislation forward to take away some of the instant quality of unemployment insurance. We have instant welfare, and almost instant LIP

grants. The Canada Council has instant artists like you wouldn't believe. One need only scratch out a few lines of so-called poetry and, voilà, another poet! Now we have moved to instant citizenship; citizenship made easy.

The previous speaker mentioned Professor Head who appeared before the special parliamentary committee studying the green paper. I well recall when he met with that committee. I recall him saying that for him it was not necessary to wait five years. It was not even necessary to wait three years. He was ready after one year. I have no doubt that after one year Professor Head was ready to adopt Canadian citizenship. There may be others like him who, after one year, are fully convinced that this is the country they want as their homeland. However, Mr. Speaker, many others are not ready after one year or even three years to decide whether this is going to be their homeland. One could argue very easily that even though there is a three-year requirement they are not obliged to take out citizenship after three years. But when you face the peer pressure, the feeling this is something they ought to do, who knows how many citizens will decide that because three-year citizenship is available it is something they ought to do? It is so easy to shift from the possible to the "ought-to."

● (2030)

The bill also raises the question of whether citizenship is a right or a privilege. If it is a right, then the legislation becomes a contradiction in terms because, if citizenship is a right, it ought to be a right as soon as they land here. It seems to me we are running into a conception we could term a qualified right. Then immediately one has to ask what that is. It seems to me that a right is not something which can be qualified, but that it is absolute. Why pass legislation making people wait even three years for something which is theirs by right of existence, guaranteed by the Bill of Rights? On the other hand, if it is a privilege, the host country has a responsibility for establishing criteria for the welfare of both the immigrant, or the applicant, and the host country itself.

There are some needs we must consider on behalf of the applicant. Most of all, an applicant needs to feel welcome. When an immigrant comes here it is his right to feel welcome. This, I suggest, has nothing to do with citizenship. I might add that authority for establishing welcoming committees and immigration services was originally under the jurisdiction of the Secretary of State. Evidently he was not doing this well, so it was taken away from him and placed under the aegis of the Minister of Immigration. I wonder whether the minister is really concerned about that feature of this bill. Immigration services, welcoming services, are something we have to work on diligently.

Over and over again as the committee toured the country attention was called to the need to make immigrants feel welcome as soon as they landed on these shores. If an immigrant's first need is to feel welcome, this is something which ought to take place long before citizenship, and it will not necessarily be met by the fact of citizenship. Naturalization will not necessarily make an immigrant feel more welcome. If citizens do not reach out and make the immigrant feel at home, just acquiring citizenship status will not make him feel that way.

I suggest the second need which every immigrant and every applicant has is a need to feel a sense of worth, a sense that he has something to offer this country. Here again this is not related to naturalization or citizenship; it is something we must encourage within an applicant, and he will contribute out of the wellspring of his being provided we create a climate for him. It has nothing to do with citizenship.

Third, I think all of us, including the applicant or the immigrant, need to experience a healthy quality of anticipation. This is one area of life which is being taken away from us. More and more each year society is pressing in closer upon us. The media, Madison Avenue advertising techniques, are crowding us more and more so that there is nothing to anticipate any longer. Not only young people but even adults are expected not to have to wait for anything. A great deal of humanizing can take place within all of us if we experience some healthy anticipation. There are many immigrants who have acquired citizenship over the years and who, in retrospect, realize that though at the time they were waiting for citizenship they were in a hurry and would like to have had it a lot sooner, once they had it it was a good experience to wait, and waiting did not hurt them at all—as a matter of fact the experience of anticipation was a good one.

The minister says a five-year limit is arbitrary. Let us assume that it is so. If that is the case, a three-year limit is also arbitrary. Any limit would be arbitrary if we accept his premise. However, I am not sure it would be wise to accept the statement the minister has made. Changing scenes in the world today have so altered the conditions of society that a five-year wait for citizenship is a good experience.

I suggest, as others have done, that the bill has been introduced in order to mollify the feelings of immigrants who have come from the British Isles as they themselves are called on to experience the process of citizenship. There was a time when British subjects did not have to become citizens of Canada. Those were the days of the British Commonwealth, later known as the Commonwealth. There was a kind of universality of experience among those who were members of the British Commonwealth. There was a common experience which all of them shared. Their experience was portable, as it were. They had experienced the parliamentary system, the whole spectrum of British culture in any country within the British empire, and they could take those experiences with them to any other part of the British empire. But all that has changed.

We do not have the British empire any more. We do not even have the Commonwealth in that sense of the word any more. Not only has the Commonwealth changed but conditions within the countries which at one time were British Commonwealth countries have changed, and the experience those countries share is no longer as universal as it was. So to expect immigrants who come to Canada to be able to bring with them the common experience of those nations and make them applicable here is to expect far too much of these people. It is not their fault and it is not our fault. It is one of the facts of life.

As the nature of the world changes, so has the nature of immigration changed, and the immigrants who are coming

to our shores today do not share a common background as they did two generations ago. Therefore, I suggest it is not fair to them to expect them to decide after three years that at that point they must make a choice to adopt Canada as their homeland. Again it can be argued that it is not mandatory that they do so, but nevertheless once the suggestion is made we open the door to them to take that step.

● (2040)

If there is one universal feeling across this country—I think all of us on the immigration committee touring Canada were apprised of this—it is the desire to establish and maintain a sense of worth in Canadian citizenship. People want our citizenship to mean something. The implication is always there that if citizenship is made too easy to obtain its value is depreciated.

Finally, Mr. Speaker, there is one other aspect of the bill that it is discouraging—for lack of a better word—to contemplate. If lowering the waiting period from five years to three tends to depreciate the value of citizenship, then even more so if people are allowed to count 50 per cent of their illegal residence in Canada toward their citizenship. Can you believe, Mr. Speaker, that if the present bill passes a person could be in Canada illegally for six years and he will qualify for citizenship? Do we want to reward violation of the law in this way? Is this the way we enhance the value of Canadian citizenship?

I suggest that as presently drafted the bill has far too many areas requiring consideration before it can receive our acceptance and be presented to the Canadian people. I recommend that we examine the bill thoroughly, and that in committee we make the kind of amendments that will make the bill fair to immigrants, and certainly fair to the Canadian people.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, before I commence my remarks perhaps I should comment on Your Honour's fine appearance in the Chair tonight.

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): It is a privilege to take part tonight in this debate on Bill C-20, an act respecting Canadian citizenship. It has been said many times before in this debate that it is high time certain changes were made in Canada's citizenship law. These changes are long overdue. I think the last time any meaningful changes were made was in 1947. The bill before the House, I am sure members on all sides will agree, contains some provisions that cannot be disputed, which are much needed, and which we certainly support.

I want to talk about four points tonight. The first concerns equal rights for women. The second has to do with lowering the age of eligibility to 18 years. Then I want to say something about persons born outside Canada of Canadian parents. Lastly, and perhaps more important from our point of view, I want to discuss lowering the residence time in Canada from five years to three to qualify for making application for Canadian citizenship.

Before making these points I should like to review the citizenship court procedure, as I have witnessed it many times in the area I come from and which I have the honour to represent here. I want to talk about the citizenship courts in the judicial district of Norfolk, presided over by His Honour Judge Pringle, and in the judicial district of Haldimand, presided over by Judge Leach. Both of these gentlemen perform a meaningful ceremony in their respective citizenship courts. The proceedings are conducted with dignity, and the national anthem is played by a school band which is actually brought into the courtroom. There is a colour parade by the Royal Canadian Legion or local police, so that the Canadian flag is prominently displayed before our new citizens. Heads of the various ethnic groups in the community are invited to be present and to welcome new citizens after they receive their certificates. The Imperial Order of the Daughters of the Empire takes this opportunity to instil a note of patriotism into the business of citizenship.

In addition, police officials and publicly appointed officials such as the mayor of the municipality, members of service clubs, and last but hopefully not least, members of parliament and members of the provincial legislature are present. I always make a point of attending these courts because of the fact that the judge tries, in the way I have described, to make the ceremony a meaningful one to the new citizens. It is not a sausage machine where citizens are turned out en masse; they know they have participated in a ceremony that is of great benefit to them and which will have meaning for them for the rest of their lives.

One matter that has disturbed me a bit in the past and which I notice will now be changed is that a judge presently asks new citizens to take an oath of renunciation, renouncing their former homeland. I always thought that this was a little difficult for a person who had already torn himself away from his homeland and come to a new country. In future a judge will not ask citizens to take such an oath; they will simply be asked to take the oath of allegiance to Her Majesty the Queen, and to obey the laws of Canada, their new country.

Now I wish to say a word or two about each of the four points I want to make. With respect to equal rights for women, it is very fitting and timely that this amendment be made this year, International Women's Year. Already this year the government has taken steps to amend certain other acts so as to give equal rights to women. I have in mind the Canada Pension Plan where the survivor is now referred to as the spouse, be he or she man or woman. The veterans' legislation was also amended so that a woman serving in one of the women's arms of the armed forces can participate equally with men. No one can fault the minister on this score and I am sure we applaud him for taking this step.

With regard to lowering the age of eligibility to 18 years, this too is a step in keeping with the times. In Ontario today the age of majority is 18 years, which means a person of that age can own property, has the right to sue—and can be sued, I guess—and is generally responsible for his actions. Eighteen is also the voting age now across Canada. I might also mention, perhaps with not too much pride, that for good or bad it is also the legal drinking age. Thus it is certainly logical that the age of application for citizenship should also be reduced to 18 years.

Perhaps even more important than reasons such as this, it seems to me that young people in this day and age mature more rapidly than was the case when I was growing up; certainly they seem to have a better grasp of what is going on around them in society. They have a better understanding of government. They are more critical of their elected officials, and demand to know where they stand on issues. This being true, it seems to me it follows that they ought to have the right to participate more fully in the democratic process. The lowering of the age of eligibility to 18 years makes this possible. As citizens they have greater opportunity to do the things in which they are interested.

● (2050)

An anomaly has been brought to my attention in this legislation. I am not very clear about it, but perhaps the minister will clear it up when he appears before the committee. I refer to subclause (3) of clause 4 in Part 1 of the bill concerning persons born of Canadian parents outside Canada. This matter was brought to my attention through the case of a Canadian man who is attempting to obtain his citizenship. He was born of Canadian parents while they were missionaries in India. At age 15 he came to Canada with his parents while they were on furlough. He remained in Canada. He entered school in Oshawa. He was educated there and then worked for a period. During the war he joined the air force. He served with distinction.

After the war he returned to Canada and entered university where he obtained a degree in forestry. He is now employed by the Ontario Department of Resources in the Lands and Forests Branch. This man attempted to obtain his Canadian citizenship. Despite all his efforts he has been unable to do what should have been a simple thing. I should like to refer to the letter he received from the Registrar of Canadian Citizenship. It states:

Dear Mr. Scott:

This refers to your application for proof of Canadian citizenship.

In order to have a claim to Canadian citizenship your father had to be born in Canada and you had to have entered Canada as a landed immigrant prior to January 1, 1947. We have proof that your father was born in Canada. According to immigration records you entered Canada as a non-immigrant on May 29, 1937. They have been unable to locate a record of your subsequent landing in Canada.

For goodness sake, this man never left Canada. He has been here continuously since he first entered Canada.

We therefore request that if you have any documents in your possession showing that you did obtain landed immigrant status please forward them for our notation.

How would a young man 15 years of age, coming here with his parents who were on furlough, have gone through that process?

If we are unable to locate a record of your entry as a landed immigrant before January 1, 1947, it will be necessary to rule that you do not have a claim to Canadian citizenship. You will then be required to clarify your status with the immigration authorities and apply for the grant of citizenship. Please forward any return correspondence to the attention of the undersigned.

The young man then sent an exact record of what he had done. He wrote:

Born: April 7, 1922

Location: Indore, India

Parents: Alex Scott, Canadian Missionary

Canadian citizen by birth.

I came to Canada in May 1937 when my parents came back home on furlough for a year. They went back in 1938. I stayed in Canada and went to high school in Oshawa at O.C.V.I. I graduated from there in 1942 and joined the RCAF. I served in the Air Force for about 3¼ years. I was overseas in England for 13 months and returned in the fall of 1945. After working for a year in Toronto I went to U. of T. graduating in 1950 as a forester. Since then I have worked for the Ont. government as a forester.

Surely a man in that situation should not be put through the wringer in order to prove he is a Canadian citizen and has the right to a citizenship certificate. I hope the minister, when he speaks in this debate, will say that that situation will be corrected by the subclause to which I have referred.

The last but certainly not the least matter so far as we on this side are concerned has to do with the period of residence in Canada before an immigrant can qualify and apply for Canadian citizenship. This period is to be decreased from five to three years. The immigrants who come to this country come from a variety of cultures. Some of these cultures are not too dissimilar to that in Canada. I refer particularly to Great Britain, France, or even Germany and other European countries. Those who come from countries behind the iron curtain come from a different culture, or at least certainly from a country in which there is a different form of government.

I refer, however, to immigrants from the Far East. They come from a culture which is vastly different to ours. To expect these people in three years to assimilate a culture which is so different from their own is asking too much. I do not think they would feel that in such a period they would be sufficiently acquainted with the Canadian system, the customs, the language, and all the other things which are necessary in order to qualify for and obtain Canadian citizenship so that they might make a contribution to this country. For that reason it seems to me a period of three years is a little too short a time.

Another point, which I do not believe has been made, is that we have many people who have been granted citizenship after waiting a period of five years. I know this is the situation in many areas. In my own area, which is a rural area, I think perhaps I have as varied a group of ethnic people as in any section of Canada. These people have waited five years. They have become Canadian citizens. I do not think they would look too kindly on their compatriots who come here and then in a period of three years are able to qualify.

When we lower the period for qualification I think we depreciate the value of Canadian citizenship. I know there are those who will say if we do not do this we are denying them their right when they have shown they are ready and fit to become Canadian citizens. I do not think too many people will strenuously object on that score.

I recall attending at a citizenship court when a judge was examining a certain applicant for Canadian citizenship. The judge had to ask the applicant certain questions about our country. This person knew nothing about it. The judge told him he could not sign his application and asked him to come back in three months. I was in court the next time the same person was examined, and this time he knew no more than he did the first time. The judge turned down

his application. This told me that this particular judge, Judge Pringle, was doing his job as a judge of the citizenship court. He was making sure that these people knew what they were getting into, and that they knew they had some responsibility to become acquainted with the country to which they were asking to be admitted as citizens. After five years this particular applicant was not able to satisfy that judge. With the period of three years such a situation could be even worse.

I believe it is unjust to lower the period from five years to three years. I think the applicants will treasure their citizenship more if it is a little more difficult to obtain. When this bill goes to the committee the committee will have a great deal of work to do to make it meaningful. Many questions which have been raised in this debate will have to be answered. I look forward to the proceedings in the committee and to what the minister will have to say when he replies.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I thought perhaps I should rise at this time so that members of the House would know that the Mr. Towers who passed away today was not the member for Red Deer, even though he had the same initials. I refer to Mr. Graham Towers, who was Governor of the Bank of Canada when it was first instituted, and who held that position for some years. I am sure everyone feels a great deal of sympathy for his survivors and would like to pay a tribute to him for the contribution he made to Canada.

● (2100)

With your permission, Mr. Speaker, I should like to dwell for a moment on the point that the great depression of the 1930's came about because of lack of protection from an institution such as the Bank of Canada. The Bank of Canada itself was instituted under prime minister R. B. Bennett. The reason that corporation was established was to protect Canada forever from recessions of that nature. I am sure there are some of us in the House today who remember well the financial crash in 1929. I hope that nothing like that will ever happen to Canadians again. I am sure that Mr. Graham Towers, in spite of governments, has instilled in the hearts of Canadian people a desire to protect themselves from a depression such as we had in the 1930's. I am sure that all members of the House agree with me when I say that we are all saddened by his passing.

Today we are dealing with a very important bill because, after all, citizenship is one of the greatest benefits we have to offer to those who come to our country to make their home. Sometimes I think that we as a people have a tendency to take things too lightly. If something comes easily, we do not appreciate its value.

Many of us sitting in the House today can trace our ancestors back over 100 years and we appreciate what these people have done for us. They have set the stage for the benefits we are now enjoying. One of the things which we have to be particularly careful about is that we do not take any of these privileges for granted. It is so easy to have all these benefits slip away, in which case we will not be able to do those things for those about us, as Canadian citizens that we are privileged to do at present.

[Mr. Knowles (Norfolk-Haldimand).]

Actually, proper citizenship builds the country, and pride of citizenship is probably one of the greatest things that can be instilled within the human being. All too often we have a tendency to feel that the country or the world owes us a living. This is one of the greatest mistakes that anyone can make. In fact instead of asking what the world can give us, we should ask what we can give to the world. In like manner we can ask as Canadians what Canada will do for us. What we should ask is what we can do for Canada. One of the most important things we have to realize as citizens of this country is that we all have a contribution to make to our country and to our heritage. We must not take this too lightly.

I rise to speak in this debate because I believe that when you see something happening with which you do not agree, perhaps some time in the future people may ask you why you allowed this to happen and where you were. Certainly I think it would be very unfortunate for a member of parliament to answer that he was there but did not say anything. That is why I rise to speak now, because I want to try to instill in those about me, and those who may read the words of wisdom that have been expressed in the debate today, a spirit of Canadianism, a spirit which will carry us well into the future.

I am concerned about one aspect of this bill, that is the provision under which an individual who is in this country illegally can use half of the time he spent here toward the period that is required for his acquisition of Canadian citizenship. I think that is wrong because, first of all, that person is in this country illegally, so why in the world should we as Canadians condone that which is illegal? I think it only depreciates the worth of Canadian citizenship. I do not think we can afford to condone that which is wrong. Certainly it must be wrong, or why should we say that a person is in the country illegally? Therefore it is wrong, and it must be considered so. We are entirely wrong in agreeing with that provision in the bill, and certainly I wish to voice my disapproval of it. I do not want to have any part of it whatsoever.

Second, there is possibly a misconception to a certain degree concerning what Canada has to offer to people in other parts of the world. I believe that perhaps we have misled them to a degree and they might feel that this is a land of milk and honey. We should tell these people when they want to immigrate to Canada that we expect them to become good citizens because that is the only way in which an individual can justify his existence here and give his utmost to the land in which he lives. When immigrants come here we must be assured that they will be happy.

Just recently I was in communication with a family that had come to Canada under the illusion that everything was hunky-dory. The man, his wife and children stayed here for awhile, but eventually he decided that Canada has nothing to offer him, so he left. I think we must be honest with these people who immigrate to our country and we must tell them that we expect them to become good citizens. We must do this for our personal benefit as well as theirs. To a degree, all people are selfish—but I think we must be careful that they be good citizens and that they will enjoy living in Canada.

After reading some of the headlines which appear in the newspapers these days I sometimes wonder if Canada has that much more to offer other people than perhaps they

have in their own country, because this is not a land where you can go out and pick a coconut or a banana, or an orange off a tree since we have a winter which lasts six months. We must take this into consideration with regard to people who come here from a hot, humid climate. It is a hardship for many people. Therefore the Canadian citizen has to realize that he has to allow for six months of winter and six months of summer, and this is something which is not known to all people.

● (2110)

Going back to the earlier days, just for a moment, when this country was being settled, many people brought their livestock up from south of the border. Their loss was tremendous simply because they did not know what they were getting into and were ill prepared. In view of that I think it would be only honest on our part to ensure that today's immigrants are better informed. Many of us will remember the 1920's when there was a large immigration of people from, primarily, the United Kingdom. I remember the experience our family had with some of those immigrants. They were particularly unhappy here, and after they had spent a number of years in Canada they decided to go back to the land they loved best and the land in which they felt most comfortable.

So it was with many war brides. Many of those girls went back to the old country after the war because they were not happy here. In view of that, if we were to have a short period of time, whether it be an extra year or two, to ensure that those people will be satisfied to be Canadian citizens, I think that would be to their benefit. It must be very disenchanting to individuals to take out citizenship in a country and then to find out that they have made a mistake. Of course they then must go through the whole procedure again, because usually when citizenship is taken out in one country it is not possible to maintain dual citizenship. I think we have to consider that.

In our citizenship courts I am sure we all appreciate the work our judges are doing. The hon. member for Norfolk-Haldimand (Mr. Knowles), who spoke previously, mentioned this matter, and I also should like to mention the judge who presides at the citizenship court in Red Deer, Judge Allen. He does a tremendous job. In a very moving ceremony Judge Allen impresses upon people the importance of the step they are taking. As mentioned by the hon. member, the IODE takes part in this service, and they extend a welcoming hand of friendship, for which I am sure those people are very grateful.

Of course there are other organizations which also participate in the ceremony including the Canadian Bible Society, which makes a presentation of a bible to each of the individuals at these citizenship courts. All in all, it adds up to a certain satisfaction in the lives of those who become Canadian citizens. We must take these things into consideration in this House when we are dealing with this bill in order to ensure that whatever legislation is passed serves a useful purpose.

We must realize that we have problems in Canada which other countries do not have. There probably is not another country in the world with the major portion of its population living within 300 miles of a neighbouring country, which is the case in Canada. Over two thirds of our population live within 300 miles of the United States border, and of course the remainder is spread over about 5,000 miles.

Immigrants seeking citizenship should be told that there are other places in Canada besides Vancouver, Winnipeg, Toronto, and Montreal. It seems that too often immigrants decide to go to major centres, and I am not always satisfied that this is in their best interest because of the fact that to a great degree they then lose their identity.

There is one other aspect of this bill which I am concerned about, and that is we must exercise a great deal of care to ensure we do not encourage people to come here and become second class citizens. In view of the affluence Canada and Canadians have been enjoying, there is a tendency not to want to do those jobs we feel are beneath our dignity. I have never been one to condone this attitude. I have always felt that a person should never ask someone else to do something he would not do himself. If we as Canadians were to adopt that philosophy, I think we would have a great deal more to offer the people of the world. It is a dangerous policy for us—but it is the policy at the present time—to allow people to come in and fill the positions we as Canadians are not prepared to fill.

I realize that there have to be some guidelines, but we must also realize that we have to exercise a great deal of care so that we do not develop a group of second class citizens. We have seen what has happened to our neighbours south of the border over the years with regard to their importation of labour. This really concerns me because it takes hundreds of years to overcome the effect of this aspect of immigration policy. I know that in many parts of Canada, especially in southern Ontario, large groups of immigrants are brought in to do the work we Canadians are not prepared to do.

It used to be that in Canada we would move people back and forth across our land. People from the west would go east, and vice-versa. Many workers from eastern Canada would move west, perhaps for year round work, or perhaps it would only be seasonal work. I well remember as a boy on a farm that we always relied on the help which came from Ontario in taking off the harvest, something which I thought was wonderful. However, when we start bringing in people from other nations we have to exercise a great deal of care. I hope the government takes notice of this to ensure that we do not become dependent upon other people to do the things for us which we are not prepared to do for ourselves. We must also have something to offer those people who come to our borders asking for admittance, wishing to become Canadian citizens. That way there will always be a place in the scheme of things for Canada and Canadians.

● (2120)

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I wish to make some brief remarks with respect to this bill. I know the minister is anxious to get it before committee and I am always one to accommodate the minister in that kind of aim, as I have done in the past.

I think there is an analogy between what is proposed here and the attitude toward the American revolution. The Americans went through a revolution in order to obtain

nationhood, and it has often been remarked that since then they have been trying to prevent revolutions with the same objectives in other parts of the world. It seems to me that when we consider this legislation we have to consider it in the light of other legislation in this country, particularly that which pertains to immigration.

Some of the changes proposed in the legislation seem to be an attempt by the government to make up to new Canadians, to give them something they did not have before, but there is a restrictive side to it that I prophesy will have the effect of preventing people coming to this country more than is presently the case. An attitude seems, therefore, to be developing that while most of use are now in Canada through the process of immigration ourselves or by our forefathers, in future we will tend to limit immigration to our shores.

One of the provisions of the bill would reduce the period of qualification for citizenship from five years to three years. Let us face it, Mr. Speaker, this is an arbitrary decision; it is difficult to say that either period is appropriate. I would suggest that the only purpose of this bill is the political motivation of the government, which is receiving a considerable amount of representation from people newly arrived in the country who have families in other parts of the world and want them here. To a great degree these people are unhappy about some of the legislative plans of the government. Instead of this questionably magnanimous gesture reducing the qualification period, the government would be well advised to consider its over-all policy, and to be frank with the people of Canada about its intentions in regard to new Canadians.

In light of the green paper on immigration it seems to me that we must expect a restrictive type of regulation. Also, there have been recent developments in the area of multiculturalism vis-à-vis newly arrived persons in our country. The Minister of Labour (Mr. Munro) of late has gone around the country indicating that the government is taking new and different directions in regard to the multiculturalism program. He wishes to change the policy to provide for more emphasis on anti-discrimination and communicating understanding. This indicates that the government has been under some pressure from people who have just come to Canada about the problems of discrimination and lack of understanding that they face.

This reduction of the qualification period from five years to three, and the unusual step of allowing a portion of the time spent in Canada illegally to be counted as part of the total time required for citizenship, seem to be gestures made for the purpose of ingratiating the government with people newly arrived.

Some interpretations of the provisions indicate that half of the total time a person is in the country illegally will count toward the citizenship requirement, but really the clause that deals with this is rather convoluted. As I read clause 5, a maximum of one year is to be allowed in the computation for citizenship. Be that as it may, I think we must hear something more from the minister about the government's motive for this rather novel proposition. If it thinks three years is appropriate then it should explain to us the necessity to have the illegal residence in Canada counted toward the requirement of citizenship. Sometimes people come into the country illegally through desperation, and indeed in some cases it is possibly the only way they could come. I think I understand the background in many such cases, and perhaps relief should be given to them sometimes. It strikes me that this is a rather peculiar provision to have in statute form, and that the government could find other measures to deal with the situation.

An hon. Member: Like what?

Mr. Hnatyshyn: Well, under the Immigration Act there is a discretion given to the minister to give dispensation to illegal immigrants on a number of bases, and it seems to me that this discretion could be exercised in deserving cases. For example, the period of illegal residence could be taken into consideration in granting landed immigrant status at the earliest possible time in cases of need. But when the statute enshrines the principle that a portion of illegal residence is to be counted toward the period of acquired residence for citizenship, this is a sufficiently novel proposition that I should like to hear from the minister—

● (2130)

Mr. Faulkner: Mr. Speaker, will the hon. member permit a question? Does he suggest that, in the case of a student who is in this country under a student's visa and studies here, say, for four or five years, that we should not include some of his time in this country as coming within the three year provision? That, really, is at stake in this clause, not the sort of illegality to which the hon. member referred.

Mr. Hnatyshyn: Mr. Speaker, obviously this is a matter of interpretation. The minister may interpret the clause as he pleases and suggest that it refers to students, and so on. My reading of the clause—and I shall be interested to hear the minister's interpretation and the interpretation of his legal advisers—suggests that its application is far broader and that it is not limited exclusively to students, as the minister seems to indicate. If the intent of the clause is as the minister suggests, why does he not put it in explicit terms, instead of in general terms which lend themselves to misinterpretation? Why does he not say that the clause is restricted to students?

I said I would keep my presentation brief on some aspects of the bill. I hope the minister will answer some questions in committee. At the same time I compliment the minister, just to show that I am not against all the provisions of the bill, as obviously some of its provisions meet with our approval and consent, and deserve our support. This being International Women's Year it is only fit and proper that we should provide equality of treatment for women.

I am glad to note that the status of wives will not necessarily depend on the nationality or fate of their spouses. This is an appropriate forward step, especially in International Women's Year. I suggest that the minister should confer with the Minister of Manpower and Immigration (Mr. Andras), in order to discuss a similar provision whereby a woman may apply for landed immigrant status in some reasonable cases without being bound by the intentions of her husband in this regard. We ought to examine the law in this area, and make sure it is consistent. God knows, it is little use asking the government to be consistent. Nevertheless it ought to be consistent in the areas of immigration and citizenship, which are closely related and intertwined.

When the minister closes debate on second reading I hope he will explain in detail the motivation behind this legislation and what induced him to substitute one arbitrary period of residency for another. Finally, what is the government's position with respect to clause 5? We need to know it, in order to study the bill adequately in committee and again in the House when it returns for third reading.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, a man's citizenship was of utmost importance to him in the days of Greece and Rome. Those concepts of citizenship have guided many nations, including our own, and ought to guide us as we change the laws pertaining to citizenship.

Most in this House know of the great status attaching to Roman citizenship in the days of the Roman empire. A man's status as a citizen of Rome was an honour which made itself felt in every part of the then known world. Let us remember these lessons of history. Then, after the Roman empire, came the British Commonwealth of Nations. If you were a citizen of the Commonwealth you were a citizen of the United Kingdom, and had the right to move freely within the British Commonwealth. That was an important advantage and made available to the British citizen, or Commonwealth citizen, important services at home and abroad. Let us keep these examples in mind when considering laws to change citizenship status. Let us, at the same time, reflect on the value of our citizenship.

I hope the government will not be inflexible, will not insist on passing the bill, clause by clause, exactly as written. I hope amendments will be moved. Although certain parts of it are a step in the right direction, other parts of the omnibus bill are not as beneficial to Canadian citizens as they might be.

The hon. member for Egmont (Mr. MacDonald) went to some length to explain aspects of the bill which he thought were good. Now I must raise certain questions. Actually my first question was raised by the previous speaker, who referred to clause (5)(1)(b)(i) which, purportedly, has to do with students. He did not find its language acceptable. How will that language apply, for example, to refugees, a large number of whom Canada has accepted? I do not quarrel with this. Such people have been allowed entry. But what about the many other people who are constantly being discovered in Canada, who have not come in legally in the proper fashion? Will this clause apply to them, as well as to students?

My reason for asking is simple. In order to become a landed immigrant, one must apply abroad. This means that those who did not apply abroad for entry are at present illegally in Canada, regardless of their present status as dishwashers, students, or anything else. Any provision allowing such people to apply for landed immigrant status within Canada negates this legislation, which says that the application must be made outside Canada. There is an inherent contradiction in our legislation in this area which we must consider carefully. Apparently one act of parliament virtually negates the effect of the other proposed legislation. I do not think that is intentional.

Mr. Benjamin: What has that to do with citizenship?

Mr. McCain: Almost without exception we are citizens of Canada either because we emigrated or because our ancestors came here. Most of us are descendants of immigrants to this country, immigrants from one part of the world. There are few exceptions. Those who came to Canada made this a fine country. Therefore we have a responsibility to those who are in Canada, and to those who are or will be applying for citizenship.

● (2140)

Citizenship is not a right of any individual other than by birth. It is not a right which has to be granted because an individual makes application to come to our shores. It is in fact a privilege. It is a privilege which has ministerial discretion to guide how and when he can grant this extension of privilege called citizenship.

The purpose of a term of eligibility is obvious. It is necessary for the country granting citizenship to have some time to appraise the individual who has come, and to determine whether in fact that person should be given his citizenship. This should be regardless of his linguistic capabilities and regardless of his knowledge of our geography, but certainly not regardless of whether he is prepared to assume the responsibilities of citizenship and whether he is in fact a builder who will add to our structure of Canada.

Five years is not too long to assess this. We can show many cases in this country where people who have come to our shores for what appeared to be the intention of being Canadians have in fact become the centre of some of the areas of discord in this country, to put it mildly, which have caused great concern to Canadian citizens at large.

It is of particular importance at this moment in time that the government should give very careful consideration to the five year term. Again I refer to some of the people who have come here under forced circumstances, whom we have accepted under forced circumstances, and who should prove to us that they want to be Canadian citizens and a part of this nation. They did not come here of their own volition. They came here because of expulsion or to escape prosecution, and because we opened our doors. That prosecution may have been from a government of any flavour in this world because we have not been discriminatory in the acceptance of refugees into our country.

I submit that this nation and the minister in charge of this department need some time to evaluate some of the people who have come to this country. It is quite all right for some to say that this is being discriminatory. However, not a single person has ever said to me that he should have obtained his citizenship in five years.

I come from a community which in the last 40 years has received probably 25 per cent of its population as a result of immigration. Not a single one of them has ever complained to me about the period of time required to acquire citizenship.

There is another facet that, on behalf of the immigrant applying for citizenship, should be carefully considered. The clause which says you cannot have dual citizenship in Canada eliminates the possibility of being a Canadian and American citizen, a Canadian and a British citizen, or a Canadian and a French citizen. That is a trend everywhere in the world.

As near as I can tell, and the minister will correct me if I am wrong, if a Canadian goes abroad and for any reason loses his citizenship, he then has to apply as any other world citizen would have to apply to come to Canada. The same will apply to those immigrants who come to Canada and obtain citizenship here. They are not going to be able to hold Canadian and American, Canadian and Portuguese, or Canadian and Dutch citizenship simultaneously. If by some inadvertence they have made a wrong choice in their three-year period, they may find themselves in serious difficulty if at any point in time they wish to return to the land of their birth or the land from which they came. Under those circumstances I do not think five years is too long.

There are some aspects of changes in citizenship legislation which are pertinent to Canada and which follow the pattern of other countries. Holland, for example, is in a unique position at the moment. Recent press reports have told about their problem with the arrival of people from what at one time was their empire. People held Dutch citizenship in the same way that people held citizenship in the British Commonwealth. Those who were citizens of the Dutch structure held Dutch citizenship and had free access to Holland.

It is a very forward and proper step that this country cannot be inundated by an influx of people from any part of the world any more readily than it can from any other part of the world under the present structure of citizenship and immigration. In that sense there has been something acquired in the consideration of these two items.

I very strongly urge the minister to give serious consideration to clause 5(1)(b)(i), both for the sake of Canada and for the sake of the immigrant. I think I speak with a concern for both. Changing the eligibility from five years to three should be reconsidered. That is not a step which gives the landed immigrant any particular advantage other than voting privileges. It reduces the necessary time which any citizen court or minister might require before extending to an applicant the very important and highly privileged rank of citizen.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am very pleased that the government House leader saw fit to bring on this bill for consideration by this parliament at this time. I can think of nothing more important on the list of legislation that we must consider before Christmas, having regard to what remains on the order paper and the progress that has been made thus far. It is an unusual example of his foresight with respect to the legislative priorities of the country that he has seen fit, so close to Christmas, to bring forward to this House this important piece of legislation.

I am very happy that the Secretary of State (Mr. Faulkner) and the Minister of Manpower and Immigration (Mr. Andras) are in the chamber this evening because there is, within this general field about which we are talking, an interrelationship with their responsibility.

I suppose there was a time in the history of our country when upon coming to Canada, taking a working position, and being involved in the cultural life of this growing country, the matter of citizenship was not nearly as important as it is today. But we are debating this bill in a world which is changing, a world which is becoming less and less democratic, a world in which people are pressured by over-population and diminishing agricultural production, resulting in starvation in many areas.

• (2150)

The number of democratic regimes is being diminished day by day; Canada is one of the few nations left in the world which believes in the democratic process, which is healthy and strong, which can allow debate such as this to go on, with different points of view being interchanged. This is a very attractive situation for increasing numbers of people and I believe that, as a result, over the next 20 years or so this country will find itself bearing the brunt of pressures in terms of the movement of people from other parts of the world. That is what makes the bill before us so important; that is why parliament should consider the whole question of citizenship with a great deal of care.

We are extending, by the offer of citizenship, the right to participate in a strong, healthy, and vital society. That is why this statute is important and that is why I want to thank the President of the Privy Council (Mr. Sharp) for bringing this legislation forward.

There are provisions in this statute which concern me. Other speakers have mentioned that a period of time one might call unauthorized time, as far as the statute is concerned can be allowed in certain circumstances, at least to a limited extent, whether the final period be three years or five years. This is important if the required time is to be reduced to three years because it makes the full period all the more important. I am not arguing now whether the period should be three years or five years; I will come to that issue, perhaps a little later.

The statute as presented, notwithstanding the minister's explanation, does within the ambit of its wording allow for time spent illegally in this country. In my view this does a disservice to many people who, aware of the rules qualified to come to this country under a very generous immigration policy, served out the period of time required, and were successful in obtaining citizenship. I think we ought to take a hard look at this aspect of the bill, and perhaps amend it in committee.

The reason why I think this is important is that I have discussed the bill with a number of immigrant groups in my constituency. We often hear about immigrants in western Canada, in northern Canada, and in the larger centres of population. But in this city, Ottawa, which ostensibly moves on a bi-cultural and bilingual axis, there is a large and growing immigration population.

I have made a point of sitting down with several groups representing people of various ethnic origins, some of whose members are landed immigrants, and asking their views with respect to this clause. It is the vagueness of this clause which has disturbed many of the people who have spoken to me about it, and which has disturbed me as well as a number of other members of the House. The present debate is an important occasion in terms of considering this right to participate in one of the free democratic societies in the world.

There is one other aspect I should like to deal with, and it has to do with the citizenship courts. It has been my privilege in the course of practising law in the national

capital to know a number of the citizenship judges who have taken their place in this aspect of the public service.

I want to mention a former judge, Mr. John Dawson, who happens to be a constituent of mine. He was an appointee of the government of my right hon. friend from Prince Albert. I also wish to call to the attention of the House the service which has been rendered to the whole field of citizenship and its importance in the scheme of things by Mr. Paul Tardiff, who at one time was a member of the House of Commons and who, if my memory serves me correctly, was appointed by the late Mr. Lester Pearson. Both these men have done a tremendous job, and it has been my privilege to sit in both their counts from time to time and watch the proceedings.

I believe it is important that the role of the citizenship court should not be downgraded. I have spoken to people who have appeared before these judges and they tell me that one of the most impressive and important days in their lives was when they appeared in a courtroom before a citizenship judge and passed the test. It was an emotional day for them in terms of their feelings for the country of their adoption. There seems to be an element in this statute which puts the functions of the citizenship court judge a little to one side, and substitutes therefor the functioning of the bureaucracy. This is one matter which ought to be examined. I have talked to many in this city, about which the Minister of State for Urban Affairs (Mr. Danson) speaks in such florid terms, who were impressed by the work of the court.

May I call it ten o'clock?

Mr. Blais: On a point of order, Mr. Speaker, I wonder whether the House would consent not to see the clock so that we could proceed with the consideration of this bill.

Some hon. Members: No.

Mr. Baker (Grenville-Carleton): May I call it ten o'clock, please.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—INQUIRY AS TO JUSTIFICATION FOR PROPOSED INCREASED IN PRICE OF PASSPORTS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I rise tonight because of a question I asked last Wednesday, December 3. My oral question of the Prime Minister (Mr. Trudeau), in the absence of the Secretary of State for External Affairs (Mr. MacEachen), was answered by the Acting Secretary of State for External Affairs (Mr. Sharp). As reported at page 9682 I asked:

It—

That is, my question.

—pertains to the reported intention of the government to increase the price of passports issued to Canadian citizens from $10 to $12. Is this the government's intention, or policy, and if so how can the increase be justified?

The minister answered:

The question is under consideration. Any increase would be justified by the increased cost of supplying passports.

As a supplementary I asked:

Since the reported increase would amount to 20 per cent, thus exceeding the guidelines laid down by the Minister of Finance, how can such an increase be justified?

The minister replied:

The guidelines do not speak about percentages in the case of prices or fees. They talk about prices reflecting increases in costs. That is how we would justify any increase we might make.

What a lot of hypocrisy there was in the minister's last response! Right there they say, "Do as we say, but you cannot do as we do".

There are a few points I want to make in rebuttal of the answers I received to this seemingly insignificant and innocent little question. The acting minister said any increase would be justified by the increased cost of supplying passports. The country's passport office here in Ottawa never was a profit-making service. How are the actual costs increasing? No more than usual. True, the clerks are getting more money than they were five years ago, but they are also issuing more passports. The fees charged by an office of this kind should remain constant. They were originally statutory, but I do not believe the department should be allowed to raise the price at this time, especially considering the serious condition the country is in financially, primarily because of inflation.

I can point to other offices in this country to demonstrate my point that passports now being granted to Canadian citizens for $10 should remain at that price. It is not very long ago that they were only $5, but this is Liberalism, Mr. Speaker, Liberalism in action. The main thing they are noted for is being liberal with other people's money. In this vicious escalation of prices and fees there is one class of fees that should not rise, and that is government fees for documents of the nature that we are discussing this evening—passports.

Related to the point I am making, I was very pleased the other day when I visited the county registry office of the county of Lennox and Addington in Napanee, where I live. I wanted to search the registry concerning certain property, and when the service had been performed for me by the clerk in charge I asked her how much that would be, and she said 50 cents. That price has remained the same for 50 years, Mr. Speaker, yet the county level of government of Napanee also has increased costs the same as Ottawa. There is far more activity in the county registry, far more real estate activity that takes care of higher costs.

The same thing is happening in the Department of External Affairs. Any member of parliament in this House will tell you Mr. Speaker, that his or her requests from constituents for passport servicing are increasing by leaps and bounds. I hope the minister does not include the cost of the new "Taj Mahal" housing external affairs at Sussex Drive when he mentions increased costs. That is another

place where the Liberal government was very liberal with the taxpayers' money. I am informed that the Lester B. Pearson building cost about $40 million. Of course it was not built for the sole purpose of issuing passports. Therefore the passport office should be left to perform its duties without increasing fees.

Getting back to increased costs, if costs have increased they must have been included in this year's estimates. A further increase in the fees to citizens requiring passports is a dual levy or double taxation. The taxpayers of Canada have paid increased costs, and now those requiring passports are not only paying their share of increased costs in the budget but a 20 per cent increase in fees for passports as well. How reckless can the government get with other people's money?

There is another point I must make too. This week we are currently debating Bill C-20, the citizenship bill. Bill C-20 is not a good bill. It is liberalizing our immigration policy in many ways to would-be immigrants to this country, making it easier to obtain citizenship at a time when this legislation would not be good for the economic and social well being of our troubled country. The point I make is one that shows the inconsistencies of Liberal policy. This current citizenship legislation favours the immigrant, but the policies of the government in increasing the cost of passports penalizes the full-fledged Canadian citizen, whether he be a citizen by birth or by immigration, to the extent of 20 per cent in additional costs, grossly exceeding the guidelines laid down by the recent controls.

Yes, Mr. Speaker, the majority of Canadians all across our country today are asking who is in control. In today's Ottawa *Journal* we see the headline: "Canadians in favor of Controls—Survey". It states that support for controls is growing, along with discontent. If we are to have control of retail consumer prices and control of the price of services, we must have control rigidly practised in government, yes, right down to the price of passports.

Another point, Mr. Speaker, is that each year there is a greater ratio of our passports issued to students travelling in groups, through schools and universities, on tours of other countries. This is the youth segment of our society, least able to afford increased fees for government documents. But at the same time they are the segment most in need of building their experiences and developing their education. Therefore why penalize them another 20 per cent increase in the cost of their passports?

This is a timely topic tonight. This question has exposed the government's hypocrisy and duplicity. The government is saying to the people who administer the controls, "We'll tell you what to do, and what you can or cannot do, but we, the government, will do what we like".

Well, Mr. Speaker, the government will not get away with this arrogant and cavalier policy. Controls can be made to work, and the first place the government should start is right here in Ottawa. I say to the Prime Minister and whoever is answering for him and/or the Department of External Affairs tonight on this question—cut out your contempt for your guidelines. Let us start by holding the price of passports issued to Canadian citizens at the present satisfactory price of $10, and show the Canadian people that the government can practise what it preaches in its doctrine of monetary restraints.

[Mr. Alkenbrack.]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I have a certain difficulty in understanding the line of reasoning in the speech made by the honourable gentleman. He spoke at the same time of the Taj Mahal and the arrogance of the policy in Bill C-20. Let me put the honourable member straight in respect of Bill C-20 first of all. It is a good bill, and if I had been the minister responsible I venture to say I would have submitted to the House a reduction to two years from five years for the obtaining of citizenship.

Returning to the problem raised concerning the increased cost of passports may I say that the passport office is a non-profit agency operating on a revolving fund basis, and required to meeting operating expenses from the revenue generated from passport fees. When it became evident early this year that current passport fees would not be sufficient to cover future operating costs beginning with 1975-76—and I do not think I need go into the detail for the honourable gentleman—the passport office sought and received Treasury Board authority to increase the fee to $15 beginning January 1, 1976.

The objective was to develop a fee structure that would recover costs averaged over at least five years to avoid annual or more regular increases that bring substantial new fee introductory costs, estimated at $140,000, and delays and service inconvenience to the public.

When the fee was last increased in 1969 a large majority of the public were either not aware of or ignored the new price and submitted applications with the old fee. This necessitated correspondence with applicants, which in turn delayed passport issuance and created serious public inconvenience to the point that normal passport service was seriously disrupted for a period of months. I do not think my colleague opposite would like to see that happen again. To avoid a recurrence of this situation the objective is to stabilize the fee for as long a period of time as possible and to advertise extensively any changes.

When the anti-inflation guidelines were announced by the Minister of Finance (Mr. Macdonald) on October 14, 1975, it was agreed to scale the fee change down to $12 beginning March 1, 1976, to conform with the government's policy, notwithstanding the additional costs and public inconvenience that would be created unfortunately by having to increase the fee again in less than two years. I think that is enough to say, Mr. Speaker.

● (2210)

CANADIAN NATIONAL RAILWAYS—SUGGESTED RELOCATION OF PROPOSED PIGGYBACK TERMINAL IN WINNIPEG

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, it is an honour once again to rise to debate with the parliamentary secretary, the hon. member for Assiniboia (Mr. Goodale), who always promises he will check into my queries and provide an answer, but from whom so far I have never received any answers.

On December 3 I put a question with regard to the CNR locating a piggyback terminal on Wilkes Avenue in south west Winnipeg. This subject has been debated at length at the municipal level for over a year, and the local Community committee and residents are thoroughly opposed to a

piggyback terminal being located so close to the residential area.

There are now two additional reasons why the terminal should not be located on Wilkes Avenue. Last week the Minister of State for Urban Affairs (Mr. Danson) announced a $436,000 loan for the Manitoba Housing and Renewal Corporation for the purchase of land for housing west of the proposed piggyback terminal. A housing development and a piggyback terminal adjacent to one another are in no way compatible. There will be heavy truck traffic in the area as well as diesel engines shunting box cars, and no doubt the terminal will have to expand in the future, thus compounding the problem. Second, the city of Winnipeg agreed last Thursday to send a telegram to the federal government to register the city's position and to ask that an order in council permitting the construction of the terminal be rescinded.

I feel that the federal government is setting a bad example in this case, as apparently there has not been proper consultation between CNR, the Ministry of Transport, the Department of Urban Affairs, and the Department of the Environment.

The Department of the Environment does environment impact studies on any new federal government developments, and I believe this piggyback terminal was its first project under a new order in council calling for an environmental study on new developments. I would say that the Department of the Environment is off to a bad start on its first project. In their report its officials state:

> The currently underdeveloped area west of Kenaston may be affected by sound emission from the proposed terminal.

We now find that a 220 acre housing development by the federal government is to be built. No doubt hundreds of children will reside in the development, and there will be danger to them from the heavy traffic generated by the terminal. The Department of the Environment should now review its study. Also, the area north of the proposed site contains $1.25 million of installed services for housing. Further services at a cost of $1.50 million will shortly be installed. Present plans call for housing developments to extend right up to the CNR mainline which is adjacent to the piggyback terminal.

I am sure the parliamentary secretary can see by now that this is no place for a piggyback freight terminal, and I hope he will impress this upon the minister and have him instruct CNR to look for a more suitable location. CPR was allowed to construct a freight terminal adjacent to a residential area in north Winnipeg some years ago and has since expanded, and the traffic and noise are unbearable.

Another reason why the terminal should not be located on Wilkes Avenue is that the main artery to the terminal at Kenaston Boulevard has already 80 per cent to 90 per cent of the traffic it can bear during peak periods, and the addition of tractor-trailors going to and from the piggyback terminal would make the traffic flow situation impossible.

Also, a number of residential subdivisions are to be built off Kenaston Boulevard, and a neighbourhood shopping centre is to be built to accommodate these housing developments. It is becoming more and more apparent that a piggyback freight terminal will not blend into the area for very obvious reasons.

The total number of residential units to be built in the immediate area is approximately 2,198, bringing the total population of the area of 73.3 acres to between 5,000 and 6,000 people. So you can see that CNR and the Department of the Environment have done no long range planning.

In addition, the Fort Garry-Saint Vital Bridge has just been approved and will be extended to Lagimodiere Boulevard and Kenaston Boulevard, making it possible for the trans-Canada highway to be routed up Kenaston on completion of the bridge.

In a city of Winnipeg traffic study dated 1973 it is stated that Kenaston and Grant regional streets will be incapable of absorbing future growth due to Kenaston Estates housing development being completed in 1983. This report did not take into consideration the piggyback or the Fort Garry-Saint Vital bridge traffic on Kenaston. Also, a small herd of white tailed deer is known to inhabit Assiniboia Forrest Park and areas adjacent to the terminal. Housing developments will be less harmful to them than engines shunting freight cars.

Any way we look at it the CNR proposed site was a short sighted choice. Within a few years the surrounding area will be developed residentially, and pressure will mount to have the terminal moved out. It would be better not to put it there in the first place. Locating the piggyback near the west perimeter highway would be much more acceptable to the local residents, and much more desirable for truckers who would then not have to fight bumper to bumper traffic.

I strongly suggest the four ministers involved, the Minister of Transport (Mr. Lang), the Minister of the Environment (Mr. LeBlanc), the Minister of State for Urban Affairs, and the President of the Privy Council (Mr. Sharp), who should have received the telegram from the city of Winnipeg requesting that the terminal be relocated, should instruct CNR to act accordingly in the name of sensible, long range planning to protect the citizens of the area.

I also understand there has been similar poor planning in the Edmonton area where rail terminals have been allowed to locate in residential areas. Hon. members will be hearing more of this in the near future.

In closing I should like to say that the local residents advisory group chairman, Mrs. Donna Mae Yeo, said at the most recent hearing that CNR officials presented half facts which were beneficial to them, leaving out those which were detrimental.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my hon. friend, the hon. member for Winnipeg South Centre (Mr. McKenzie), and I are becoming regular partners at this particular point in the proceedings of the House, and I welcome the opportunity of responding to one of his concerns again this evening. As I begin, I draw to his attention the answer which the minister gave to him on this point in this House just a very few days ago when he first raised it, and that was that the minister would be happy to engage in consul-

tations about the problem the hon. member has raised, but the minister did not think it was appropriate to rush immediately to conclusions before those consultations had in fact begun. So I am a little hesitant tonight to proceed much farther down the road upon which the hon. member has embarked because, in a very real sense, that would be prejudging the conclusion to any particular consultations which may be undertaken.

However, I should like to explain the situation as it was known to CNR and to the ministry prior to the most recent development which the hon. member has mentioned. First, I should mention that the CNR main line through Winnipeg passes by the Canadian forces base between Kenaston and Wilkes Avenue. At present there are no residences within one quarter to one half a mile from that line. The area in question has been zoned for heavy industry. The CN development has been categorized as light industry. A federal government environmental study has been completed, and it recommended approval of the location as having no deleterious impact on the community. On this basis the federal order in council was passed.

A noise level study was conducted in the area, and the level at the proposed yard was found to be lower than on the streets of the Tuxedo area. The city of Winnipeg committee of the environment approved the location in 1974. The CN has investigated alternate sites, none of which has been found to meet the requirements of either the railway or the community. The CN has entered into a lease with the owner of the land selected.

My hon. friend invited the minister just a very few days ago to engage in further consultations with respect to this particular point. The minister has agreed to do so, and I do not think further comment should be made at this moment.

Mr. Paproski: That's what they said in Edmonton.

Mr. McKenzie: The environmental study is outdated.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

Motion agreed to and the House adjourned at 10:22 p.m.

END OF VOLUME IX